

CONFERENCE
OF
PRIME MINISTERS AND REPRESENTATIVES
OF THE
UNITED KINGDOM, THE DOMINIONS,
AND INDIA,
HELD IN
June, July, and August, 1921.
SUMMARY OF PROCEEDINGS
AND
DOCUMENTS.

Presented to Parliament by Command of His Majesty.
August, 1921.



LONDON:
PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

To be purchased through any Bookseller or directly from
H.M. STATIONERY OFFICE at the following addresses:
IMPERIAL PRESS, 25, KINGSWAY, LONDON, W.C.2, and 28, ABINGDON STREET, LONDON, S.W.1;
FETER STREET, MANCHESTER; 1, ST. ANDREW'S CRESCENT, CARDIFF;
or 120, GEORGE STREET, EDINBURGH.

1923.

Price 2s. Net.

[Cmd. 1474.]

954/03
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**SUMMARY OF THE TRANSACTIONS OF THE PRIME MINISTERS
AND REPRESENTATIVES OF THE UNITED KINGDOM, THE
DOMINIONS, AND INDIA, JUNE, JULY, AND AUGUST, 1921.**

I. PRELIMINARY NOTE.

THE proceedings of the Conference of Prime Ministers and Representatives of the United Kingdom, the Dominions, and India, opened at 10, Downing Street, on 20th June, 1921, and were continued until 5th August. During that period thirty-four plenary meetings took place, which were normally attended by the following:—

Great Britain.

The Right Hon. D. Lloyd George, O.M., M.P., Prime Minister.
The Right Hon. A. Chamberlain, M.P., Lord Privy Seal.
The Right Hon. A. J. Balfour, O.M., M.P., Lord President of the Council.
The Most Hon. The Marquess Curzon, K.G., G.C.S.I., G.C.I.E., Secretary of State for Foreign Affairs.
The Right Hon. W. S. Churchill, M.P., Secretary of State for the Colonies.

Canada.

The Right Hon. A. Meighen, K.C., Prime Minister.
The Hon. C. C. Ballantyne, Minister of Naval Service.

Australia.

The Right Hon. W. M. Hughes, K.C., Prime Minister.

New Zealand.

The Right Hon. W. F. Massey, Prime Minister.

South Africa.

General The Right Hon. J. C. Smuts, K.C., Prime Minister.
The Hon. Sir Thomas Smartt, K.C.M.G., Minister of Agriculture.
Colonel The Hon. H. Mentz, Minister of Defence.

India.

The Right Hon. E. S. Montagu, M.P., Secretary of State for India.
His Highness The Maharao of Cutch, G.C.S.I., G.C.I.E.
The Hon. Srinivasa-Sastri.

SECRETARIAT.

Great Britain.

Sir M. P. A. Hankey, G.C.B.
Sir Henry Lambert, K.C.M.G., C.B.
Sir Edward Grigg, K.C.V.O., C.M.G.
Colonel S. H. Wilson, C.B., C.M.G.

Canada.

Mr. C. H. A. Armstrong.

Australia.

Mr. P. E. Deane, C.M.G.

New Zealand.
Mr. F. D. Thomson, C.M.G.

South Africa.
Mr. G. Brebner.

India.
Mr. G. S. Bajpai.

In addition, the following attended meetings for the discussion of subjects which particularly concerned their respective Departments:—

The Right Hon. Viscount Birkenhead, Lord Chancellor.
The Right Hon. Sir L. Worthington-Evans, Bart., M.P., Secretary of State for War.
The Right Hon. H. A. L. Fisher, M.P., President of the Board of Education.
The Right Hon. F. G. Kellaway, M.P., Postmaster-General.
Sir Eyre A. Crowe, G.C.M.G., K.C.B., Permanent Under Secretary of State for Foreign Affairs.
Field-Marshal Sir H. H. Wilson, Bart., G.C.B., D.S.O., Chief of the Imperial General Staff.
Sir C. J. B. Hurst, K.C.B., K.C., Legal Adviser, Foreign Office.
Sir B. P. Blackett, K.C.B., Controller of Finance, Treasury.
Sir G. L. Barstow, K.C.B., Controller of Supply Services, Treasury.
Major-General Sir F. H. Sykes, G.B.E., K.C.B., C.M.G., Controller-General of Civil Aviation.
Captain E. F. C. Lane, C.M.G., Private Secretary to General Smuts.
The Right Hon. Sir Robert Horne, G.B.E., K.C., M.P., Chancellor of the Exchequer.
The Right Hon. Lord Lee of Fareham, G.B.E., K.C.B., First Lord of the Admiralty.
Captain The Right Hon. F. E. Guest, C.B.E., D.S.O., M.P., Secretary of State for Air.
Admiral of the Fleet Earl Beatty, O.M., G.C.B., G.C.V.O., D.S.O., First Sea Lord and Chief of Naval Staff.
Air-Marshal Sir H. M. Trenchard, Bart., K.C.B., D.S.O., Chief of the Air Staff.
Sir Phillip Lloyd-Greame, K.B.E., M.C., M.P., Director of Overseas Trade Department.
Sir H. Llewellyn Smith, G.C.B., Chief Economic Adviser to His Majesty's Government.
Rear-Admiral Sir E. P. F. G. Grant, K.C.V.O., C.B., First Naval Member of Naval Board and Chief of Australian Naval Staff.
Captain B. E. Domville, C.M.G., R.N., Director of Plans Division, Admiralty.
Mr. C. Hipwood, C.B., Mercantile Marine Department, Board of Trade.
Mr. L. C. Christie, Legal Adviser to Department of External Affairs, Canadian Government.

Apart from the plenary meetings, the Prime Ministers of the United Kingdom and the Dominions met on eleven occasions, and eight meetings of Committees were held at the Colonial Office.

The greater part of the proceedings, particularly that relating to Foreign Affairs and Defence, was of a highly confidential character, comparable rather to the work of the Imperial War Cabinets of 1917 and 1918 than of the Imperial War Conferences of those years. Other parts, though not so secret in their nature, were intermingled with matter which must for the present be kept confidential. In regard to such discussions only an indication has been given here of their general tenor.

II. OPENING STATEMENTS.

Mr. Lloyd George, as Chairman, opened the proceedings with a comprehensive review of the situation in which the Conference had assembled. He outlined its tasks, stated broadly the principles of policy which commended themselves to the British Government, and dwelt upon the significance of the Conference and the importance of its work. He was followed in turn by all the other Prime Ministers, by Mr. Sastri for India, and by Mr. Churchill for the Colonies and Protectorates. This preliminary discussion occupied two days. The speeches were published in full immediately afterwards, and are attached to this summary.*

* See Appendix I.

III. FOREIGN POLICY.

The Conference then addressed itself to a detailed consideration of the Foreign Policy of the British Empire. The discussion on this was opened by the Secretary of State for Foreign Affairs, who made an exhaustive statement upon the course of foreign affairs since the Peace Conference. His statement was supplemented by Mr. Churchill, who dealt with the special problems of the Middle East.

There followed a series of important discussions, which were largely conversational in form, each representative intervening in turn as occasion prompted, without formality of any kind. The objects in view were threefold: first, that the members of the Conference should all put their ideas into the common stock and thus gain a thorough understanding of each other's point of view; second, that the principal questions of foreign policy should be examined by this means from every point of view; and third, that there should be a free and full discussion of the general aims and methods to be pursued. The discussions, which covered the whole area of foreign policy, and extended over many days, proved most fruitful in all these respects. They revealed a unanimous opinion as to the main lines to be followed by British policy, and a deep conviction that the whole weight of the Empire should be concentrated behind a united understanding and common action in foreign affairs. In this context, very careful consideration was given to the means of circulating information to the Dominion Governments and keeping them in continuous touch with the conduct of foreign relations by the British Government. It was unanimously felt that the policy of the British Empire could not be adequately representative of democratic opinion throughout its peoples unless representatives of the Dominions and of India were frequently associated with those of the United Kingdom in considering and determining the course to be pursued. All members of the Conference expressed a vivid sense of the value of this year's meeting in that respect, and a desire that similar meetings should be held as frequently as possible.

A precedent created by the Imperial War Cabinet was also revived with valuable results. From 1916 till the Armistice, the Prime Ministers of the Dominions and the Representatives of India frequently sat with members of the British Cabinet to determine the measures necessary for the prosecution of the War. This method of procedure was also adopted by the British Empire Delegation during the Peace Conference in Paris, when all cardinal decisions were taken by the delegation as a whole. In accordance with this precedent, the Prime Ministers of the Dominions and the Representatives of India present in London this year were invited to meetings with members of the British Cabinet called to deal with Imperial and foreign questions of immediate urgency which arose in the course of the sittings.

One of the most important of these was the Upper Silesian question, which during the session of the Conference assumed an acute form, and was debated at each stage by the members of the Conference, whose interest in a matter so closely affecting the relations of Great Britain and France was incontestable. The main lines of British policy in connexion with the solution of this problem received the unanimous approval of the Conference, and it was with satisfaction that they heard, before the termination of their sitting, that, the preliminary difficulties having been resolved, the final settlement of the question of the Silesian frontier was remitted, under the terms of the Treaty of Versailles, to an immediate meeting of the Supreme Council at Paris.

The problems of the Western Pacific and the Far East, together with the Anglo-Japanese Agreement, were also fully discussed; and President Harding's invitation to a Conference on Disarmament was warmly welcomed by all the members of the Conference. The following statement, made by the Prime Minister in the House of Commons, on 11th July, represents the general view of all members of the Conference on the main issues of the Pacific, as also on the question of disarmament:—

“The broad lines of Imperial policy in the Pacific and the Far East were the very first subjects to which we addressed ourselves at the meetings of the Imperial Cabinet, having a special regard to the Anglo-Japanese Agreement, the future of China, and the bearing of both those questions on the relations of the British Empire with the United States. We were guided in our deliberations by three main considerations. In Japan, we have an old and proved Ally. The agreement of twenty years' standing between us has been of very great benefit, not only to ourselves and her, but to the peace of the Far East. In China there is a very numerous people, with great potentialities, who esteem our friendship highly, and whose interests we, on our

side, desire to assist and advance. In the United States we see to-day, as we have always seen, the people closest to our own aims and ideals with whom it is for us, not merely a desire and an interest, but a deeply-rooted instinct to consult and co-operate. Those were the main considerations in our meetings, and upon them we were unanimous: The object of our discussions was to find a method combining all these three factors in a policy which would remove the danger of heavy naval expenditure in the Pacific, with all the evils which such an expenditure entails, and would ensure the development of all legitimate national interests of the Far East.

"We had, in the first place, to ascertain our exact position with regard to the Anglo-Japanese Agreement. There had been much doubt as to whether the notification to the League of Nations made last July constituted a denunciation of the Agreement in the sense of clause 6. If it did, it would have been necessary to decide upon some interim measure regarding the Agreement pending fuller discussions with the other Pacific Powers, and negotiations with this object in view were, in point of fact, already in progress. If, on the other hand, it did not, the Agreement would remain in force until denounced, whether by Japan or by ourselves, and would not be actually determined until twelve months from the date when notice of denunciation was given. The Japanese Government took the view that no notice of denunciation had yet been given. This view was shared by the Secretary of State for Foreign Affairs; but, as considerable doubt existed, we decided, after a preliminary discussion in the Imperial Cabinet, to refer the question to the Lord Chancellor, who considered it with the Law Officers of the Crown, and held that no notice of denunciation had yet been given.

"It follows that the Anglo-Japanese Agreement remains in force unless it is denounced, and will lapse only at the expiration of twelve months from the time when notice of denunciation is given. It is, however, the desire of both the British Empire and Japan that the Agreement should be brought into complete harmony with the Covenant of the League of Nations, and that wherever the Covenant and the Agreement are inconsistent, the terms of the Covenant shall prevail. Notice to this effect has now been given to the League.

"The broader discussion of Far Eastern and Pacific policy to which we then turned showed general agreement on the main lines of the course which the Imperial Cabinet desired to pursue. I have already explained that the first principle of our policy was friendly co-operation with the United States. We are all convinced that upon this, more than any single factor, depends the peace and well-being of the world. We also desire, as I have stated, to maintain our close friendship and co-operation with Japan. The greatest merit of that valuable friendship is that it harmonises the influence and activities of the two greatest Asiatic Powers, and thus constitutes an essential safeguard to the well-being of the British Empire and peace of the East. We also aim at preserving the open door in China, and at giving the Chinese people every opportunity of peaceful progress and development.

"In addition to these considerations, we desire to safeguard our own vital interests in the Pacific, and to preclude any competition in naval armaments between the Pacific Powers. All the representatives of the Empire agreed that our standpoint on these questions should be communicated with complete frankness to the United States, Japan, and China, with the object of securing an exchange of views which might lead to more formal discussion and conference. The Secretary of State for Foreign Affairs accordingly held conversations last week with the American and Japanese Ambassadors and the Chinese Minister, at which he communicated to them the views of the Imperial Cabinet, and asked in turn for the views of their respective Governments. He expressed at these conversations a very strong hope that this exchange of views might, if their Governments shared our desire in that respect, pave the way for a conference on the problems of the Pacific and the Far East.

"The views of the President of the United States were made public by the American Government this morning. It is known to the House. Mr. Harding has taken the momentous step of inviting the Powers to a Conference on the limitation of armaments, to be held in Washington in the near future, and he also suggests a preliminary meeting on Pacific and Far Eastern questions between the Powers most directly interested in the peace

and welfare of that great region, which is assuming the first importance in international affairs. I need not say that we welcome with the utmost pleasure President Harding's wise and courteous initiative. In saying this I know that I speak for the Empire as a whole. The world has been looking to the United States for such a lead. I am confident that the House will esteem it as an act of far-seeing statesmanship and will whole-heartedly wish it success. I need hardly say that no effort will be lacking to make it so on the part of the British Empire, which shares to the full the liberal and progressive spirit inspiring it."

In accordance with the suggestion which was believed to have been made by the American Government, that the Conference on Disarmament should be preceded by friendly conversations or consultations between the Powers who were principally concerned in the future of the Far East and the Pacific, the Imperial Conference, anxious that for the Anglo-Japanese Agreement should be substituted some larger arrangement between the three Great Powers concerned, namely, the United States of America, Japan, and Great Britain, and holding the firm conviction that the later discussions on Disarmament, to which they attached a transcendent importance, could best be made effective by a previous mutual understanding on Pacific questions between those Powers, devoted many hours of examination to the question how such an understanding could best be arrived at, where the proposed conversations could best be held, in what manner the representatives of the British Dominions, who were so vitally affected, could most easily participate in them, and upon what broad principles of policy it was desirable to proceed. It was difficult for the Dominion Prime Ministers, owing to the exigencies of time and space, to attend at Washington late in the autumn. On the other hand, advantage might be taken of their presence in England to exchange views with representatives of the other Great Powers who had been invited to Washington later on. It was in these circumstances that the idea was mooted that the preliminary conversations or consultations, to which the American Government had in principle agreed, should be held in London.

When it transpired a little later that there was some misunderstanding as to the nature of the preliminary conversations which had been suggested, the British Government, in the earnest desire to remove any possible misconception, and to meet what they believed to be the American views at each stage of the impending discussions, volunteered to attend a meeting on the other side of the Atlantic, at which the agenda of the forthcoming Conference at Washington could be discussed, and a friendly interchange of views take place in order to facilitate the work of the main Conference later on. The British Prime Minister and Foreign Secretary, together with the Dominion Prime Ministers, were prepared to attend such a meeting, if invited to do so by the American Government.

The Japanese Government signified their willingness, if invited, to take part in the suggested conversations.

The American Government, however, did not favour the idea, which was accordingly dropped.

This conclusion was viewed with the utmost regret by the members of the Imperial Conference, who had devoted no small portion of time to the working out of an arrangement, which they understood would be equally acceptable to all parties, and the abandonment of which could not, they feared, be otherwise than prejudicial to the great objects which all had in view. At no stage had it been suggested that the results of such a consultation as was contemplated should either anticipate the work or tie the hands of the Washington Conference at a later date. On the contrary, holding, as they do, the firm belief that without a Pacific understanding the Conference on Disarmament will find it less easy to attain the supreme results that are hoped for by all, the Imperial Conference made the proposal before referred to anxious to remove every possible obstacle from the path of the Washington Meeting, which they desire to see attended with complete and triumphant success.

IV. LEAGUE OF NATIONS.

A discussion took place in regard to the League of Nations during which Mr. Balfour explained at length the work which had been carried out by the League and the special difficulties with which it has to contend. Mr. Balfour's statement was published in full, and is attached to this summary.*

* Appendix II.

While a more equitable distribution between its members of the cost of the League was considered essential to its future, there was general appreciation of its work and of the League's claim to the support of the British Empire as a step forward in the regulation of international affairs.

V. EGYPT.

Close consideration was given to the question of British policy in Egypt, and the future status of that country, and general agreement was reached regarding the principles by which His Majesty's Government should be guided in the negotiations with the Egyptian Delegation.

VI. IMPERIAL DEFENCE.

(a) *Naval.*

Several plenary meetings and several meetings of the Prime Ministers alone with the Secretary of State for India, were devoted to considering the Naval Defence of the Empire, and the following Resolution was adopted:—

"That, while recognizing the necessity of co-operation among the various portions of the Empire to provide such Naval Defence as may prove to be essential for security, and while holding that equality with the naval strength of any other Power is a minimum standard for that purpose, this Conference is of opinion that the method and expense of such co-operation are matters for the final determination of the several Parliaments concerned, and that any recommendations thereon should be deferred until after the coming Conference on Disarmament."

In addition, a number of useful consultations took place between the Admiralty and the Representatives of the several Dominions and India, at which were discussed such matters as the local co-operation of each Dominion in regard to the provision of oil tanks, local naval defence, etc.

(b) *Military and Air Defence.*

A discussion took place on the Military and Air Defence of the Empire, and the views of the General and Air Staffs on the principles which should be adhered to in order to ensure co-operation in these matters were laid before Ministers.

VII. IMPERIAL COMMUNICATIONS.

The question of improved communication throughout the Empire, including Air, Telegraphy, Telephony, and Shipping, was considered, and a special Committee under the chairmanship of the Secretary of State for the Colonies was appointed to go into the whole question. This Committee reported to the main Conference, and eventually the following conclusions were arrived at:—

(a) *Air.*

"The Conference, having carefully considered the report* of the expert Sub-Committee on Imperial Communications, are of opinion that the proposals contained therein should be submitted for the consideration of the Governments and Parliaments of the different parts of the Empire.

"On the understanding that the cost involved will be in the region of £1,800 per month they recommend that, pending such consideration, the existing material, so far as useful for the development of Imperial Air Communications, should be retained."

(b) *Imperial Wireless Scheme.*

"It is agreed that His Majesty's Government should take steps for the erection of the remaining stations for which they are responsible, as soon as the stations are designed; that the Governments of Australia, the Union of South Africa, and India, should take similar action so far as necessary, and that the Governments of Canada and New Zealand should also co-operate."

The above scheme was accepted by the Prime Minister of the Commonwealth subject to giving full freedom of action to Australia to decide the method in which Australia will co-operate.

* The Report is printed as Appendix III.

(c) *Shipping.*

As regards the Report of the Imperial Shipping Committee on Bills of Lading,* it was decided to adopt the following Resolution:—

“The Conference approves the recommendations made in the Report of the Imperial Shipping Committee on the Limitation of Shipowners’ Liability by Clauses in Bills of Lading, and recommends the various Governments represented at the Conference to introduce uniform legislation on the lines laid down by the Committee.”

A Resolution was also adopted to the effect that, pending the constitution of a permanent Committee on Shipping, the existing Imperial Shipping Committee should continue its inquiries.

The representatives of His Majesty’s Government and the Governments of New Zealand and India were ready to agree to a wider resolution recommending the constitution under Royal Charter of a permanent Committee to carry out the duties specified in the Report of the Imperial Shipping Committee dated 3rd June, viz.:—

- (i.) To perform such duty as may be entrusted to them under laws in regard to Inter-Imperial Shipping, applicable to the whole or to important parts of the Empire;
- (ii.) To inquire into complaints in regard to ocean freights and conditions in Inter-Imperial trade or questions of a similar nature referred to them by any of the Governments of the Empire;
- (iii.) To exercise conciliation between the interests concerned in Inter-Imperial Shipping;
- (iv.) To promote co-ordination in regard to harbours and other facilities necessary for Inter-Imperial Shipping.

The representative of Canada, however, did not agree to this wider resolution, and the representatives of the Commonwealth of Australia and the Union of South Africa reserved the matter for further consideration.

The position as regards rebates was discussed, and strong representations were made by Dominion Ministers in regard to it, but no resolution was passed, it being understood that the matter is at present under consideration by the Imperial Shipping Committee.

(d) *Wireless Telephony.*

The present position regarding the development of Wireless Telephony was explained, and the following Resolution was adopted:—

“That the Radio Research Board be asked to investigate the subject of Wireless Telephony and to report on its development, whether Governmental or private.

“That the Postmaster-General shall supply to the Governments of the Dominions and India technical reports showing its position and possibilities.”

(e) *Cable and Wireless Rates for Press Messages.*

The Special Committee on Communications received a deputation representing the Empire Press Union and the Newspaper Proprietors’ Association, and subsequently Mr. Robert Donald, Chairman of the Empire Press Union, made representations to them on the subject of wireless telegraphy.† The following Resolution was agreed to and thereafter adopted by the main Conference:

“The Committee agrees with the Resolution passed at the Second Imperial Press Conference, held at Ottawa in 1920, that any assistance given by the Governments of the Empire towards the reduction of rates for Press services by wireless and cable should appear specifically in the Estimates of Public Expenditure, and should be so directed as not to affect the quality of the news service supplied or the freedom of the newspapers so served.

* Published as [Cmd. 1205.].
Appendix IV.

† Memoranda handed in by the Deputation are printed in

"The Committee is in full sympathy with the object of reducing rates, both by cable and wireless, for press messages, and recommends the most favourable examination by the Governments concerned of any practicable proposals to this end."

VIII. REPARATIONS.

The Conference agreed that the Reparation receipts under the Treaty of Versailles should be apportioned approximately as follows:—

United Kingdom	...	...	...	...	...	86.85
Minor Colonies	...	...	...	...	...	.80
Canada	...	...	...	...	...	4.35
Australia	...	...	...	...	...	4.35
New Zealand	...	...	...	...	...	1.75
South Africa	...	...	...	...	...	.60
Newfoundland	...	...	...	...	...	.10
India	...	...	...	...	...	1.20
						<hr/> 100.00

IX. POSITION OF BRITISH INDIANS IN THE EMPIRE.

The question of the position of British Indians in the Empire was discussed first at a plenary meeting when the representatives of India fully explained the situation and the views held in India on the subject. The question was then remitted to a special Committee under the chairmanship of the Secretary of State for the Colonies. At a final meeting on the subject the following Resolution was adopted:—

"The Conference, while reaffirming the Resolution of the Imperial War Conference of 1918,* that each community of the British Commonwealth should enjoy complete control of the composition of its own population by means of restriction on immigration from any of the other communities, recognizes that there is an incongruity between the position of India as an equal member of the British Empire and the existence of disabilities upon British Indians lawfully domiciled in some other parts of the Empire. The Conference accordingly is of the opinion that in the interests of the solidarity of the British Commonwealth, it is desirable that the rights of such Indians to citizenship should be recognized.

"The representatives of South Africa regret their inability to accept this resolution in view of the exceptional circumstances of the greater part of the Union.

"The representatives of India, while expressing their appreciation of the acceptance of the resolution recorded above, feel bound to place on record their profound concern at the position of Indians in South Africa, and their hope that by negotiation between the Governments of India and of South Africa, some way can be found, as soon as may be, to reach a more satisfactory position."

X. EMPIRE SETTLEMENT AND MIGRATION.

The question of Empire Settlement and Migration was considered by a special Committee under the chairmanship of the Secretary of State for the Colonies, and the following Resolution was finally adopted by the Conference:—

"The Conference having satisfied itself that the proposals embodied in the Report† of the Conference on State-Aided Empire Settlement are sound in principle, and that the several Dominions are prepared, subject to Parliamentary sanction and to the necessary financial arrangements being made, to co-operate effectively with the United Kingdom in the development of schemes based on these proposals, but adapted to the particular circumstances and conditions of each Dominion, approves the aforesaid Report.

"The South African representatives wish to make it clear that the limited field for white labour in South Africa will preclude co-operation by the Union Government on the lines contemplated by the other Dominions.

* See Resolution XXI., p. 8, of [Cd. 9177].

† The Report is printed as Appendix V.

"(2) The Conference expresses the hope that the Government of the United Kingdom will, at the earliest possible moment, secure the necessary powers to enable it to carry out its part in any schemes of co-operation which may subsequently be agreed on, preferably in the form of an Act which will make clear that the policy of co-operation now adopted is intended to be permanent.

"(3) The Conference recommends to the Governments of the several Dominions that they should consider how far their existing legislation on the subject of land settlement, soldier settlement and immigration, may require any modification or expansion in order to secure effective co-operation; and should work out, for discussion with the Government of the United Kingdom, such proposals as may appear to them most practicable and best suited to their interests and circumstances."

XI. EMPIRE PATENT.

A memorandum* prepared in the Board of Trade on the demand for an Empire Patent was considered by a Special Committee under the Chairmanship of the Secretary of State for the Colonies, and the following recommendation, which was concurred in by the main Conference, was agreed to:—

"The Committee recommends that a Conference of representatives of the Patent Offices of His Majesty's Dominions shall be held in London at an early date to consider the practicability of instituting a system of granting Patents which should be valid throughout the British Empire."

XII. NATIONALITY.

A memorandum† prepared in the Home Office with reference to the nationality of children of British parents born abroad was considered by a Special Committee under the Chairmanship of the Secretary of State for the Colonies, and the following resolution, which was finally approved by the main Conference, was adopted:—

"The Committee, having considered the memorandum prepared in the Home Office regarding the nationality of the children born abroad of British parents, commends the principle of the proposals contained therein to the favourable consideration of the Governments of the Dominions and India."

XIII. CONDOMINIUM IN THE NEW HEBRIDES.

The Condominium in the New Hebrides was discussed by a Special Committee under the Chairmanship of the Secretary of State for the Colonies.

XIV. THE PROPOSED CONFERENCE ON CONSTITUTIONAL RELATIONS.

Several plenary meetings and several meetings of the Prime Ministers were devoted to a consideration of the question of the proposed Conference on the Constitutional relations of the component parts of the Empire,‡ and the following resolution was adopted:—

"The Prime Ministers of the United Kingdom and the Dominions, having carefully considered the recommendation of the Imperial War Conference of 1917 that a special Imperial Conference should be summoned as soon as possible after the War to consider the constitutional relations of the component parts of the Empire, have reached the following conclusions:—

"(a) Continuous consultation, to which the Prime Ministers attach no less importance than the Imperial War Conference of 1917, can only be secured by a substantial improvement in the communications between the component parts of the Empire. Having regard to the constitutional developments since 1917, no advantage is to be gained by holding a constitutional Conference.

"(b) The Prime Ministers of the United Kingdom and the Dominions and the Representatives of India should aim at meeting annually, or at such longer intervals as may prove feasible.

* The Memorandum is printed as Appendix VI.

† The Memorandum is printed as Appendix VII.

‡ See Resolution IX. printed at p. 5 of [Cd. 8566].

"(c) The existing practice of direct communication between the Prime Ministers of the United Kingdom and the Dominions, as well as the right of the latter to nominate Cabinet Ministers to represent them in consultation with the Prime Minister of the United Kingdom, are maintained."

XV. ADDRESS TO HIS MAJESTY THE KING.

The Prime Minister was asked by the members of the Conference to present the following humble address to His Majesty the King:—

"We, the Prime Ministers and other Representatives of the British Empire, speaking on behalf of the United Kingdom, the British Dominions, the Indian Empire and the British Colonies and Protectorates, desire, on the eve of concluding our meeting, to present our humble duty to Your Majesty and to reaffirm our loyal devotion to Your Throne. We have been conscious throughout our deliberations of a unanimous conviction that the most essential of the links that bind our widely-spread peoples is the Crown, and it is our determination that no changes in our status as peoples or as Governments shall weaken our common allegiance to the Empire and its Sovereign.

"Knowing Your Majesty's deep interest in all that touches Your people's happiness, we trust that our labours in this time of world-wide unrest may be satisfactory to you and conduce to the welfare and safety of Your dominions as well as to the peace of the world.

"We pray that Your Majesty and the Queen may long be spared to enjoy the affection of Your subjects and to see all classes equally recovered from the strain and sacrifice of the War."*

XVI. RESOLUTION OF THANKS TO PRIME MINISTER AND HIS COLLEAGUES.

The Prime Ministers of the Dominions and the representatives of India desire to put on record their deep appreciation of the large amount of time and work devoted in a time of heavy strain by the Prime Minister and his colleagues in His Majesty's Government to the Conference. They look with great satisfaction upon their meetings, which have, in their opinion, made clear the lines of common action in Imperial and foreign affairs and still more firmly established the free co-operation of the peoples of the Commonwealth.

XVII. APPRECIATION OF WORK OF SECRETARIAT.

The Prime Ministers of the Dominions and the Representatives of India desire to put on record their great appreciation of the work of Sir Maurice Hankey and other members of the British Secretariat. They consider that his efficiency and that of his staff have contributed in an invaluable degree to the success of the Conference, and they hope that his assistance may be available at future sessions for many years to come. The Prime Minister of the United Kingdom and his colleagues also desire to express, on behalf of the British Secretariat, their warm acknowledgment of the cordial and most efficient co-operation of the Dominion and Indian representatives on the Secretariat.

* His Majesty's reply is printed as Appendix VIII.

APPENDIX I.

OPENING SPEECHES.

20th June, 1921.

OPENING SPEECH BY MR. LLOYD GEORGE.

MR. LLOYD GEORGE: Gentlemen, I bid you all a hearty welcome to Great Britain and to Downing Street. It was only with great unwillingness that I asked you to postpone our first meeting until to-day, and I hope it has not caused any serious inconvenience to anyone. I am deeply grateful to you for meeting my own personal difficulty by postponing the Conference for a few days.

Since we last met, there are some notable gaps in the British Empire Delegation. Our last meetings, I think, were held in Paris at the famous Peace Conference. My old friend, Sir Robert Borden, has laid down the cares of office, after long and sterling service throughout the War and throughout the making of peace, both to his own great Dominion and to the Empire. I relied a great deal upon his sane and ripe judgment. I am glad to hear his health is much restored and I am sure we can count on him still for many years of valuable service in any work which he decides to undertake. In his place we welcome his successor, Mr. Meighen, who is no stranger to our counsels, because he was with us at the meetings of the Imperial War Cabinet in the summer of 1918, though this is his first appearance as Prime Minister.

By General Botha's death the whole Empire has sustained a heavy loss. He was a king of men, one of the greatest and most striking figures of our time, and I feel certain that history will endorse our high contemporary esteem of his breadth of vision and nobility of character. South Africa and the Empire are fortunate in that his mantle has fallen on his distinguished colleague, General Smuts, who has already played a great part in Imperial Councils during the War and in the making of the peace.

Mr. Hughes and Mr. Massey are very old friends. I believe that we three enjoy the unenviable distinction of being the only Prime Ministers who took part in the War and who, so far, have survived the troublesome years of peace, and I am rejoiced to see both of them looking as young and fit as ever.

Let me also extend a most cordial greeting to His Highness the Maharao of Cutch and to Mr. Sastri, who have come here as representatives of the Indian Empire. We shall, I know, find them wise and cogent interpreters of the Indian point of view in the great questions which we have to discuss.

May I also express our regret that the Premier of Newfoundland has not found it possible to be present at our deliberations.

GENERAL CONDITION OF UNREST THROUGHOUT THE WORLD.

The Conference falls at a time of great stress in this country and of serious trouble in many parts of the world. It was inevitable that the nations which had put forth such colossal efforts and sustained such unparalleled losses of life, limb and treasure during the War, should feel all the consequences of overstrain and exhaustion. The systems which perplex the statesmen of all the belligerent countries at the present time are due to the condition in which the nations of the world have been left by the great War. The nerve exhaustion and heart strain which characterize such cases produce a feverish restlessness and a disinclination to steady labour which aggravate the disease and retard recovery. Never did statesmanship in all lands demand more patience and wisdom. The years that followed the Napoleonic wars produced similar or even worse experiences. In this country the distress amongst the population was very much greater after the Napoleonic wars than it is at the present moment. As a matter of fact, in spite of great unemployment and a good deal of labour unrest, there is no actual privation amongst the population, and I attribute that very largely to the self-sacrifices made by the more well-to-do of all classes in order to share their better luck with their less fortunate fellow-countrymen. But still there is no doubt at all that the War has produced a state of things from which it will take years to recover. There are European countries where the poverty and the actual distress is appalling and we are doing our best out of our spare means to assist. But in spite of a good deal that is discouraging, I am confident the world is slowly working through its troubles; there is an increasing disposition to face and accept the facts industrially and internationally. The natural disinclination of human nature to admit

unpleasant facts has, at home, provoked industrial troubles, and abroad, fierce outbursts of protest. But gradually the world is passing through its usual experience of first of all denying the existence of palpable realities and then settling down to act upon them. It is a distinctly encouraging fact in the international situation that there is an increasing impatience with those who, from whatever motive, seek to keep the world in a state of turmoil and tension. There is a widening and deepening conviction that the world must have peace, if it is ever to recover health. Some of the most troublesome and menacing problems of the peace have either been settled or are in a fair way of settlement. You must have watched with close interest the developments of the last couple of years in Europe, the series of conferences and gatherings and assemblies of all kinds where we were trying to carry out the terms of the Peace Treaty, and to settle the various difficulties that arose in consequence.

GERMAN DISARMAMENT.

There were two questions that gave us great anxiety. One was the question of the disarmament of Germany and the other was the question of reparation. There were other important questions, but these were the two questions around which most of the controversies centred. The disarmament of Germany, I think, may be stated to be a settled problem. The German fleet has disappeared, and so has the Austrian. The German army has disappeared as a great powerful force. It numbered millions; it now numbers little more than 100,000 men. It had tens of thousands of guns, great and small; it has now got a few hundreds. It had an enormous number of machine-guns and trench mortars; these have gone. Millions of rifles—they surrendered about 30 million rounds of big ammunition—all that has gone. It is true they have still got some rather irregular formations which we have not succeeded in completely getting rid of. It is not so much Prussia that is giving us trouble as Bavaria. That difficulty will, I think, be overcome in a very short time. So that the problem of disarmament, which was a very vital one because so long as Germany had a big army and big armaments there was no guarantee of peace, will disappear.

REPARATIONS.

The other problem is the problem of reparation. No one knows better than Mr. Hughes the practical difficulties surrounding that problem. It is not a question so much of adjudicating claims; it is a question of how you are to transfer payment from one country and make it in another. As Mr. Hughes knows, that problem baffled all our financial experts and the financial experts of all countries in Paris, and it is only after two years that we hit upon an expedient which seems on the whole to have given satisfaction to all moderate and practical men in European countries. So far as we have been able to gather, that is the view of the Dominions. We shall probably hear something about it, because they have a very direct concern in it. Germany has accepted a very practical plan of liquidating her liabilities. France has accepted; Italy has accepted; and the public opinion of this country has also accepted; so that the two most troublesome problems are either settled or in a very fair way of being adjusted.

OTHER DIFFICULTIES.

There are two remaining difficulties, one of which is the fixation of the boundaries of Poland, partly in Lithuania, and now in Silesia. I am not going to anticipate what will be said upon that subject; therefore I am only mentioning it. The second difficulty we have had has been the making of peace with the Turkish Empire. Those are the two great outstanding difficulties, but I am very hopeful in regard to both of them. Once those two are settled, then I think we may say that peace has been made; but until then we cannot say, in spite of the fact that we have signed Treaties of Peace, that peace has been made and established in the world.

NECESSARY TO STAND BY PEACE TREATIES.

The first essential of peace—a stable peace—and reconstruction is that we should stand by our Treaties. There are those who grow weary of these great responsibilities, and who speak as though it were possible to renounce them in this quarter or in that without injustice to other peoples or detriment to ourselves. I venture to say that such arguments are as short-sighted as they are false. The nations and peoples of the world have realized their interdependence in a measure

far greater than ever before the War, and the League of Nations—whatever may be thought of the provisions of the Covenant—stands as witness to their realization of that truth. No progress can be made towards the rehabilitation of Europe, or the establishment of permanent peace in the world, except upon the basis of acceptance of Treaties and an enforcement of Treaties. There may be relaxations here and there, following the discovery of new conditions, with the consent of all parties. We have had some relaxations of that kind—and I think they are wise modifications of the Treaty—in the matter of allowing more time for payment, and more time for disarmament; and in the prosecution of war criminals we made a concession to German national susceptibilities. There have been questions of that kind where, by the consent of all the Powers, there have been modifications. But the Treaties must stand where such consent is not forthcoming, and no signatory should have the right to override any part of a Treaty to which we are all parties. The British Empire from end to end is bound by honour and by interest alike to the Treaties which it has signed. We have appended our signatures—all of us—and we must honour those signatures. Unless Treaty faith is maintained, an era of disorganization, increasing misery and smouldering war will continue, and civilization may very easily be destroyed by a prolongation of that state of things.

EMPIRE'S RELATIONS WITH UNITED STATES AND JAPAN.

I propose to call on Lord Curzon, on his return, to give the Conference a comprehensive survey of foreign affairs, and I will not anticipate his detailed statement now. But I should like to refer very briefly to one of the most urgent and important of foreign questions—the relations of the Empire with the United States and Japan. There is no quarter of the world where we desire more greatly to maintain peace and fair play for all nations and to avoid a competition of armaments than in the Pacific and in the Far East. Our Alliance with Japan has been a valuable factor in that direction in the past. We have found Japan a faithful ally, who rendered us valuable assistance in an hour of serious and very critical need. The British Empire will not easily forget that Japanese men-of-war escorted the transports which brought the Australian and New Zealand forces to Europe at a time when German cruisers were still at large in the Indian and Pacific Oceans. We desire to preserve that well-tryed friendship which has stood us both in good stead, and to apply it to the solution of all questions in the Far East, where Japan has special interests, and where we ourselves, like the United States, desire equal opportunities and the open door. Not least amongst these questions is the future of China, which looks to us, as to the United States, for sympathetic treatment and fair play. No greater calamity could overtake the world than any further accentuation of the world's divisions upon the lines of race. The British Empire has done signal service to humanity in bridging those divisions in the past; the loyalty of the King Emperor's Asiatic peoples is the proof. To depart from that policy, to fail in that duty, would not only greatly increase the dangers of international war; it would divide the British Empire against itself. Our foreign policy can never range itself in any sense upon the differences of race and civilization between East and West. It would be fatal to the Empire.

NEED FOR FRIENDLY CO-OPERATION WITH UNITED STATES.

We look confidently to the Government and people of the United States for their sympathy and understanding in this respect. Friendly co-operation with the United States is for us a cardinal principle, dictated by what seems to us the proper nature of things, dictated by instinct quite as much as by reason and common sense. We desire to work with the great Republic in all parts of the world. Like it, we want stability and peace, on the basis of liberty and justice. Like it, we desire to avoid the growth of armaments, whether in the Pacific or elsewhere, and we rejoice that American opinion should be showing so much earnestness in that direction at the present time. We are ready to discuss with American statesmen any proposal for the limitation of armaments which they may wish to set out, and we can undertake that no such overtures will find a lack of willingness on our part to meet them. In the meantime, we cannot forget that the very life of the United Kingdom, as also of Australia and New Zealand, indeed, the whole Empire, has been built upon sea power—and that sea power is necessarily the basis of the whole Empire's existence. We have, therefore, to look to the measures which our security requires; we aim at nothing more; we cannot possibly be content with less.

CONSTITUTIONAL PROGRESS OF BRITISH EMPIRE.

I do not propose to deal in any detail with the agenda for this Conference to-day. We have no cut-and-dried agenda to present. We will discuss that amongst ourselves. The British Government has been under some suspicion in some quarters of harbouring designs against this gathering as a Conference. We are said to be dissatisfied with the present state of the Empire, and to wish to alter its organization in some revolutionary way. Gentlemen, we are not at all dissatisfied. The British Empire is progressing very satisfactorily from a constitutional standpoint, as well as in other ways. The direct communication between Prime Ministers, established during the War, has, I think, worked well, and we have endeavoured to keep you thoroughly abreast of all important developments in foreign affairs by special messages sent out weekly, or even more frequently when circumstances required. Indeed, at every important Conference either here or on the Continent, one of the first duties I felt I ought to discharge was to send as full and as complete and as accurate an account as I possibly could, not merely of the decisions taken, but of the atmosphere, which counts for so very much. I have invariably, to the best of my ability, sent accounts, some of them of the most confidential character, which would give to the Dominions even the impressions which we formed, and which gave you information beyond what we could possibly communicate to the press.

MINISTER OF CANADIAN GOVERNMENT AT WASHINGTON.

Another change, which has taken place since the War, is the decision of the Canadian Government to have a Minister of its own at Washington—a very important development. We have co-operated willingly with that, and we shall welcome a Canadian colleague at Washington as soon as the appointment is made. We shall be glad to have any suggestions that occur to you as to the methods by which the business of the Dominions in London, so far as it passes through our hands, may be transacted with greater dignity and efficiency, though you will all, I think, agree that the Empire owes much to Lord Milner and Lord Long for their services in the Colonial Office during a period of great difficulty and stress.

ASKS FOR SUGGESTIONS FOR CONDUCT OF EMPIRE'S BUSINESS.

We shall also welcome any suggestions which you may have to make for associating yourselves more closely with the conduct of foreign relations. Any suggestions which you can make upon that subject we shall be very delighted to hear and discuss. There was a time when Downing Street controlled the Empire; to-day the Empire is in charge of Downing Street.

On all matters of common concern we want to know your standpoint, and we want to tell you ours.

MUTUAL RELATIONSHIP WITHIN EMPIRE.

I will give you my general conception of the mutual relationship in which we meet. The British Dominions and the Indian Empire, one and all, played a great part in the war for freedom, and probably a greater part than any nation, except the very greatest Powers. When the history of that struggle comes to be written, your exertions side by side with ours will constitute a testimony to British institutions such as no other Empire in history can approach or emulate. In recognition of their services and achievements in the War the British Dominions have now been accepted fully into the comity of nations by the whole world. They are signatories to the Treaty of Versailles and of all the other Treaties of Peace; they are members of the Assembly of the League of Nations, and their representatives have already attended meetings of the League; in other words, they have achieved full national status, and they now stand beside the United Kingdom as equal partners in the dignities and the responsibilities of the British Commonwealth. If there are any means by which that status can be rendered even clearer to their own communities and to the world at large we shall be glad to have them put forward at this Conference.

INDIA'S STATUS.

India's achievements were also very great. Her soldiers lie with ours in all the theatres of war, and no Britisher can ever forget the gallantry and promptitude with which she sprang forward to the King Emperor's service when war was

declared. That is no small tribute both to India and to the Empire of which India is a part. The causes of the War were unknown to India; its theatre in Europe was remote. Yet India stood by her allegiance heart and soul, from the first call to arms, and some of her soldiers are still serving far from their homes and families in the common cause. India's loyalty in that great crisis is eloquent to me of the Empire's success in bridging the civilizations of East and West, in reconciling wide differences of history, of tradition and of race, and in bringing the spirit and the genius of a great Asiatic people into willing co-operation with our own. Important changes have been effected in India this year, and India is making rapid strides towards the control of her own affairs. She has also proved her right to a new status in our councils; that status she gained during the War, and she has maintained it during the peace, and I welcome the representatives of India to our great Council of the Empire to-day. We shall, I feel sure, gain much by the fact that her sentiments and her interests will be interpreted to us here by her own representatives.

RESULT OF THE EMPIRE'S UNITY.

I have given you my view of our relationship. May I just remind the Conference of what our unity has meant. The War demonstrated—I might say, revealed—to the world, including ourselves, that the British Empire was not an abstraction but a living force to be reckoned with. Who would have believed before the War that the Empire outside Great Britain would, in an hour of emergency, have raised two millions and more soldiers and sent them to the battlefield to serve the common cause, side by side with the United Kingdom? Even the ardent soul of Mr. Joseph Chamberlain, in his most glowing moments, never predicted so impressive a rally to the Flag. The opportune revelation of the reality of the British Empire has, in my judgment, altered the history of the world. Those of us who know—and many if not most of us sitting at this table were here during the most critical hours of the War and sat at this same table—those of us who know how narrow the margin was between victory and defeat, can proclaim without hesitation that without these two million men, that came from outside the United Kingdom, Prussianism would probably have triumphed in the West and the East before American troops arrived on the stage, and Lord Curzon, who is at this moment discussing with M. Briand, the Prime Minister of France, the execution of a victorious Treaty, would have been discussing how best to carry out the humiliating conditions dictated by the triumphant war lords of Germany.

The reign of unbridled force would have been supreme, and this generation would have had to spend its days in interpreting and enduring that calamitous fact in all spheres of human activity and influence. The unregulated unity of the British Empire saved France, Britain and civilization from that catastrophe.

Our present troubles are bad enough. Victory has its cares as well as defeat. But they are ephemeral and will soon be surmounted. Defeat would have reversed the engine of progress, and democracy would have been driven back centuries on its tracks. If I may venture to quote what I said at the Imperial Conference of 1907 when Sir Thomas Smartt and I first met—I think we two and the present Colonial Secretary are the only survivors—I ventured to say, in reference to the Empire:—

“We agree with our Colonial comrades of the Dominions that all this unity is worth concerted effort, even if that effort at the outset costs us something. The federation of free commonwealths is worth making some sacrifice for. One never knows when its strength will be essential to the great cause of human freedom, and that is priceless.”

I venture to say that that prediction has been gloriously proved by great events.

EMPIRE BASED ON GOODWILL.

The British Empire is a saving fact in a very distracted world. It is the most hopeful experiment in human organization which the world has yet seen. It is not so much that it combines men of many races, tongues, traditions and creeds in one system of government. Other Empires have done that, but the British Empire differs from all in one essential respect. It is based not on force but on goodwill and a common understanding. Liberty is its binding principle. Where that principle has not hitherto been applied it is gradually being introduced into the structure.

DEVELOPMENT OF THE EMPIRE.

It is that willing and free association of many nations and peoples which this Conference represents. Think of what we stand for in this room to-day. First of all the long political development of the British Isles, with all its splendours and its pains, the crucible from which the framework of the whole great structure has emerged. Canada, British and French; South Africa, British and Dutch—both now great Dominions whose unity is due to the free and willing combination of two proud races in a single nationhood. Australia and New Zealand, British civilizations both, but planted and developed with a genius of their own by the sheer enterprise and grit of their peoples in the furthest antipodes. India a mighty civilization, whose rulers were known and respected throughout the western world before the first English post was planted on Indian soil. Side by side with these the wonderful varied colonies and protectorates in their different stages of development, which the Secretary of State for the Colonies is here to represent. In all the marvellous achievement of our peoples which this gathering reflects I am most deeply impressed by the blending of East and West—India with her far descended culture and her intensely varied types, so different from ours, present in this room to concert a common policy with us in the world's affairs, and to harmonize, as we hope, still more completely her civilization and ours. It is our duty here to present the ideals of this great association of peoples in willing loyalty to one Sovereign, to take counsel together for the progress and welfare of all, and to keep our strength both moral and material, a united power for justice, liberty and peace.

OPENING SPEECH BY MR. MEIGHEN.

MR. MEIGHEN: I think we might utilize a little more time to-day in hearing statements from some of us of a general character and then proceed to lay down the agenda. As far as I am concerned, I do not think that anything I might say in advance of our discussion of concrete subjects would be of sufficient importance to warrant a day or even half-a-day's adjournment for preparation. I have listened to the illuminating introduction of the Prime Minister, and I cannot bring myself to think that such a pregnant and impressive address will not receive full publication.

It is unfortunate that the obligation of speaking first should fall upon me, the least experienced representative of the Dominions, but it is well that the traditional order of precedence be followed.

PRESENT SITUATION IN CANADA.

The Prime Minister referred to conditions in the British Isles, which, of course, we all from the various Dominions watch with great interest. The words of encouragement which he gave were very welcome to my ears. In Canada we do not suffer in the same degree from unemployment, but none the less we have much more than the normal. The extent and proportion of our agricultural population is such that we have in our belief less unrest than in most countries, and we feel also that our comprehensive and reasonably generous policy towards returned men, particularly to those entering upon agriculture, has reduced the evil in that respect.

The information that the Prime Minister has given as to the progress of peace negotiations, or rather the re-establishment of actual peace upon the basis of the peace treaties, is indeed encouraging. I feared myself that he would not be able to make quite so gratifying a report.

CANADIAN OPINION ON JAPANESE TREATY.

As to the observations he made on the principles to be kept in mind in our deliberations on the Japanese Treaty and its renewal, we cannot over-estimate their importance. Possibly in the outlying Dominions we are not disposed to give the same attention to one feature which he draws attention to, the paramount necessity of seeing to it that no step is taken that leaves out of mind the importance of mitigating racial divisions. What I have to say as to this subject will, of course, be more appropriate later. All I can do now is to assure you that I, representing Canada, approach this question with a full sense of responsibility, and in seeking to interpret what I believe is the prevailing opinion of my country on the subject, I do so with a firm resolve to reach, if it can be reached, common ground with all representatives here.

CANADA SATISFIED WITH CONSTITUTIONAL PROGRESS.

The Prime Minister referred to suspicions that had been generated of designs on the autonomy of the Dominions, conspiracies to bring about revolutionary changes in our Constitutional relations. I may say that I do not think any responsible representative of any Dominion, I am quite certain of Canada, requires to have his mind cleansed of evil thought in that respect.

ACKNOWLEDGMENT OF TRIBUTE OF PRIME MINISTER TO SERVICES RENDERED BY DOMINIONS.

It is due to the Conference, and particularly the Prime Minister, that I should gratefully acknowledge here his striking and memorable words in referring to the services rendered by the British Dominions and India during the late War. No finer expression of the feelings of the people of the British Isles has been uttered, and I feel that his valued tribute will be long remembered throughout the length and breadth of the Empire.

VALUE OF IMPERIAL CONFERENCES.

There can be no doubt as to the value of Conferences such as this. The whole progress of the world, particularly since the War, has emphasized the value of conferences. Indeed, it is the method that has been incorporated as the very basis of the new order which the world is seeking to establish whether under the name of the League of Nations, or under some other name or under no name at all. For ourselves, of course, for this Britannic Commonwealth of nations, this method or principle has a peculiar significance. We are united by the history of our being, by a mutual trust, and by a fundamental intention to preserve a common allegiance. We therefore confer under conditions particularly favourable to free and open communication one with another, and in an atmosphere of complete mutual confidence.

VALUE OF PUBLISHING PROCEEDINGS AND NEED FOR FREQUENT CONFERENCES.

There are two conditions of success that I think of importance, though perhaps they are only partly under our control. If our conclusions are to be sound, and being sound, to be acted upon, they must be accorded not only general support, but intelligent support throughout the countries we represent. It is therefore essential that we fully inform the public of our proceedings. There may, in respect of some questions, be limitations; we shall indeed at times be bound to respect what may be called the right of privacy of Governments and peoples other than our own. The problem is not a simple one, but I venture to suggest that it is better in the long run to err on the side of publicity than on the side of secrecy. The other condition is that such conferences as these should be as frequent and as regular as the growing necessities of inter-Dominion and inter-Empire relations demand. Time, I know, is important. It is difficult for Canadian Ministers to be absent, and that difficulty is accentuated in the case of Ministers of other Dominions. The expeditious despatch of business while here will assist all round.

I shall reserve any further remarks until we reach the discussion of the definite subjects that are to be brought before us.

21st June, 1921.

OPENING SPEECH BY MR. HUGHES.

MR. HUGHES: I desire to congratulate you on the admirable review of the position that you presented to us yesterday. I am sure it was most valuable as well as most interesting. We were all very glad to learn from you, Sir, that though the adjustment of those matters which arose out of the War is not yet complete, all our obligations, and our ex-enemies' obligations under the Treaty, were in a fair way of being fulfilled. We recognize that there are difficulties, and that it is not easy to satisfy those who preach a counsel of perfection, but I think we ought to congratulate you and the Government on having, during these last two years, weathered a great storm full of menacing possibilities, and though it would savour of too much optimism to say that we had yet reached the haven, still, on the whole, we have much to be thankful for. I very sincerely congratulate you as the head of the Government of the United Kingdom.

You have asked us to consider and review the situation as it presents itself to us, and I think we may do this with advantage before we pass on to the discussion of the various questions, or, indeed, decide the order in which we are to discuss them. The circumstances of this Conference are in themselves sufficiently remarkable. This is the first time we have met since the dark shadow of the great War has been lifted, and we are showing to the world and to the various parts of the Empire that those counsels which we took together during the War were not ephemeral expedients, but that we are resolved to continue along that path in company, being guided by each other's counsel and believing firmly that in co-operation and in unity lies the safety of all, and, in no small degree, the peace and welfare of the world.

NEED FOR A MEANS OF CONCERTING THE EMPIRE'S POLICY.

Well, Sir, we are here—some of us have come very great distances, and all have come at great personal inconvenience. Some of us, like Mr. Massey and myself, have come 12,000 miles. We have each given our views to our representative Parliaments as to what this Conference intends, or hopes, to do. Much is expected from us, and I do venture earnestly to hope that this Conference will do something which will convince the people that we have found a practical and sure way of bridging that apparently impossible chasm which divides complete autonomy of the several parts of the Empire from united action upon matters affecting us all.

That we must do something is essential if this Conference is not to be a last magnificent flare of a dying illumination. I am sure, Sir, you will realize how difficult it is for us to leave a Parliament for five or six months. I shall not, I hope, be suspected of trespassing upon the sacred domain of domestic politics if I ask you just to conjure up in that vivid Celtic mind of yours—as I do in mine—the possibility of your being away for six months.

Now, amongst the great problems that are to be considered three stand out. You referred to all of them yesterday. They are:—Foreign Policy in general, the Anglo-Japanese Treaty in particular, and Naval Defence. There are other problems, of course, which are intimately associated with these. If we are to give effect to the principle, which I take it has already been accepted, viz., the right of the Dominions to sit at the Council table on a footing of equality, and to discuss with you and the other representatives the question of the Foreign Policy of the Empire—these also must be not only considered, but settled. I do not think I am misinterpreting the opinions of all my friends here when I say that this voice, this share, in the Council of the Empire in regard to foreign policy must be a real one, must be one of substance and not merely a shadow. This involves the creation of some kind of machinery, and here we come to a very difficult position, to which I shall refer very shortly later.

We are now asked to deal with foreign policy, and in order that we may do this, you have said that Lord Curzon would review the present position of foreign affairs. We shall await that statement with great interest. The whole Empire is concerned in foreign policy, though this was for many years regarded as the sole prerogative of Great Britain. Wars are hatched by foreign policy. No one is able to say that any act affecting foreign nations will not, in the fullness of time, lead to war. No one is able to say that the most apparently trivial and innocent action will not involve us in international turmoil, and in the fullness of time bring us to the bloody plains of war. So, when we see on every side the British line—or, if you like, the line of this Commonwealth of British nations—being lengthened and the line of defence necessarily thinned, the points of potential danger multiplied—we are naturally uneasy. We have seen that a cloud no bigger than a man's hand can cover the whole heavens. And so, Sir—I speak only for myself, of course—I am sure you will quite understand our desire to know the reasons for your policy in Mesopotamia, in Palestine, in Russia, in Egypt, and your policy in Greece and Turkey. If I have singled these things out it is not because they cover the whole field of foreign policy, but because these matters are perhaps the most obvious.

Now, if we are to have an effective voice in the foreign policy of this country, we must first of all know precisely how we stand, and the reasons for the policy adopted and the extent to which we are committed to it. I start with the assumption that our right to decide foreign policy is not denied. Very well, let us consider the thing under two heads—first, in regard to matters of foreign policy as they now present themselves before the British Government, and, second, in regard to policy in the future. We can express our opinions, and if needs be modify the

present foreign policy by a full discussion and expression of opinion. Decisions can be registered and given effect to. But the position in regard to policy in the future is very difficult. Everyday a new situation arises or may arise. How is it to be dealt with? We shall be scattered to the four quarters of the earth. How are the Dominions to have an effective voice on foreign policy when, as things stand, they can only be told after things have been done and are not consulted beforehand? That is a question which we shall have to consider. I stated, Sir, at the outset that other matters than those three of which I spoke—Foreign Policy in general, the Anglo-Japanese Alliance, and Naval Defence—will arise intimately related to these, and that we shall have to discuss them.

DIFFICULTY OF COMMUNICATION.

I come to one now. You yourself said yesterday, Sir, that direct communication between the Prime Minister of Great Britain and his colleagues overseas had worked well. So it has; that is to say, the principle has worked well; but I think I ought to tell you, Sir, that it is rarely that one does not read in the newspapers, sometimes a day, sometimes more than a day, before receiving your telegrams, a very good imitation of their substance. This arises through the great delay in the transmission of messages.

I am not going into details now—I have set this matter down on the agenda—but I want to say that it is absolutely essential, if we are going to have any effective voice in foreign policy, that we shall be in the closest possible touch with you and with each other, and that we shall know, not when the thing is done, but before the thing is done, what is intended, or what is desired to be done. This is essential because in foreign policy, as, indeed, in many cases in domestic policy, you cannot delay. Action is imperative. A thing that is possible to-day is impossible to-morrow, and action must be taken. So, if we are going to have a real voice in foreign policy, then we must have improved communication—means whereby you will be able to communicate quickly with your colleagues overseas, and they with you and with each other. That is absolutely essential. When we come to that item on the agenda paper, I shall show you, in one or two ways, how some improvement may be made. But I confess that all I can suggest falls very far short of that ideal condition of things which one would desire.

ANGLO-JAPANESE TREATY.

Now I leave foreign policy in general, and come to the Anglo-Japanese Treaty. Here we are dealing with a matter definite and urgent. It is not a thing to be settled in the future, but now. The British Government has only postponed settlement in order that the matter might be dealt with round this table. It is an urgent matter. It must be settled without delay. The attitude of Australia towards it has been quite clearly stated. We have not a clean slate before us. If we had to consider for the first time whether we should have a Treaty with Japan, the position might be very different. We have not. For many years a Treaty has existed between Japan and Britain. Its terms have been modified, but in substance the existing Treaty has been in force for a long time. No doubt it cannot be renewed precisely in its present form. It must conform to the requirements of the League of Nations. But the case for renewal is very strong, if not indeed overwhelming. To Australia, as you will quite understand, this Treaty with Japan has special significance.

IN FAVOUR OF RENEWAL.

Speaking broadly, we are in favour of its renewal. But there are certain difficulties which must be faced. One of these arises out of the attitude of America towards this Treaty. I am sure I state the opinion of Australia when I say the people have a very warm corner in their hearts for America. They see in America to-day what they themselves hope to be in the future. We have a country very similar in extent and resources, and it may be laid down as a *sine qua non* that any future Treaty with Japan, to be satisfactory to Australia, must specifically exclude the possibility of a war with the United States of America. It ought to do this specifically, but if not specifically then by implication so clear and unmistakable that he who runs may read. It is perfectly true that the present Treaty does this by implication, but not so plainly as to preclude misinterpretation. In any future Treaty we must guard against even the suspicion of hostility or unfriendliness to the United States. I hope you are not forgetting, Sir, that there are many who seek to misinterpret the intentions of this country, and to confound them we must

put in plain words what are our intentions. That being so, and subject to that condition—which is not a new condition at all, because Japan has accepted the position for many years—Australia is very strongly in favour of the renewal of the Treaty. As I have said, the Treaty clearly must conform to the provisions of the League of Nations Covenant, and it must have regard to the circumstances of the world to-day, but I think it ought to be renewed; I am strongly in favour of its being renewed. I think from every point of view that it would be well that the Treaty with Japan should be renewed. Should we not be in a better position to exercise greater influence over the Eastern policy as an Ally of that great Eastern Power, than as her potential enemy? Now, if Japan is excluded from the family of great Western nations—and, mark, to turn our backs on the Treaty is certainly to exclude Japan—she will be isolated, her high national pride wounded in its most tender spot. To renew this Treaty is to impose on her some of those restraints inseparable from Treaties with other civilized nations like ourselves. We will do well for the world's peace—we will do well for China—we will do well for the Commonwealth of British nations to renew this Treaty. We want peace.

AMERICAN OBJECTIONS.

The world wants peace. Which policy is most likely to promote, to ensure, the world's peace? As I see it, the renewal of the Treaty with the Japanese Empire. Now let us consider America's objections to the renewal of the Treaty. Some of these relate to the emigration of Japanese to America; but the hostility to Japan, more or less marked, that exists in America to-day, cannot be wholly accounted for by this fact. As it is vital in the interest of civilization that a good understanding should exist between America and ourselves, we should endeavour to do everything in our power to ascertain exactly what it is to which America takes exception in this Treaty. We ought not to give her room for criticism which the world could support. We must make it perfectly clear that the Treaty is not aimed against her, and that it could never be used against her. War with America is unthinkable. As the contingency is quite an impossible one, it need not be seriously considered. Yet it is well that the attitude of Australia should be made quite clear.

SUGGESTS CONFERENCE WITH AMERICA AND JAPAN.

Whether it would be wiser to invite a Conference with America and Japan, to ascertain what would be mutually acceptable, is a suggestion which I throw out. If one were quite sure that America desired, or was prepared to accept, what would form a reasonable basis of an Alliance with Japan, then I certainly would strongly press the suggestion. But in any case we ought to try and ascertain precisely what America's views are on this most important matter.

IMPORTANCE OF THE QUESTION OF DISARMAMENT.

Now I turn from the consideration of the Anglo-Japanese Treaty, Sir, to a question of supreme importance which you raised yesterday, and it is one which is related both to the Anglo-Japanese Treaty and to Naval Defence—I mean the question of disarmament. You said, Sir, and I am sure the world will be very glad to read those words of yours, that you would welcome any suggestion and discuss with any Power any propositions for disarmament or limitations of armaments. Your words come most opportunely. I think this is the psychological moment. We ought not to underestimate the value of this Conference—it is no use denying the fact that in America they do distinguish between England and the Dominions in a very marked way—and a suggestion coming from you backed by the Dominion Prime Ministers, might gain a hearing where the voice of England alone failed. After all, the distinction which Americans draw between us is easy to understand. History partly explains it. They see, too, in us replicas of themselves. They see us struggling and fighting towards the goal that they have already attained. And I think they are right in supposing that, subject to that determination which we have to achieve our destiny in company with each other and with Britain, we resemble so many Americas. We are free democracies. We want peace. We at least are free from the suspicion of Imperialistic ambitions. The world, tired of war, is yet neurotic, its nervous system so disturbed by war that while it cries aloud for peace, force is the first thing to which it turns to redress its grievances. You cannot expect, you cannot hope for any more favourable moment than the present.

If you fail to secure agreement for the limitation of armaments now, how can you expect to do so in the years to come? The appalling race for naval supremacy has already begun, although the fires of the Great War are not yet cold. It creates interests in the various countries where this suicidal race is run. This vicious rivalry grows by what it feeds on. Every year it becomes more difficult to stop. Speak therefore now on behalf of this gathering of Prime Ministers. Let us give the world, weary of war and staggering beneath its crushing burdens, a lead. Invite the United States of America, Japan and France to meet us. We cannot hope that the world will beat its sword into a ploughshare, but at any rate it can stop building more ships. Let us stop naval construction and naval expenditure other than that necessary for the maintenance of existing units without prejudice to what may be agreed upon hereafter. In this matter, the first step is everything. If the world resolves to stop making any further preparations for war, everything is possible; until that step is taken, we are only beating the air.

Such an invitation issued with such authority behind it would, I think, find great support in America, and I hope and believe in Japan too. In ten years' time, in five years' time, the position will be that both these countries will be poorer. They cannot continue such a competition indefinitely. If they persist, we and all the great nations of the world must follow their example. What hope does such a prospect hold out to the war-weary world? To stop naval construction pending a permanent settlement of the basis for naval power will not prejudice their interests. The relative strength of each will not be affected by stopping now. I do most strongly urge you to set an example, speaking as you will be able to do on behalf, not merely of England, but on behalf of all those free nations whose representatives are gathered here. Let us show to the world that these young nations gathered round this table have resolved to make their entrance into world politics by setting an example which the world has long wanted. I am not without hopes that such an invitation on your part, and such an example on ours, would be provocative of great good and prove to be the turning point in the world's history.

NEED FOR ADEQUATE NAVAL DEFENCE.

I come now to the last point with which I intend to deal at length, and that is Naval Defence. Whatever may be agreed upon, one thing is clear, that we must have such naval defence as is adequate for our safety. Naturally the amount of force necessary to ensure our safety in a world which has agreed to suspend naval construction, a world in which the three great Naval Powers have, for example, come to such an understanding as would have the force and effect of an alliance, would be much less than in a world which resounds with the clang of hammer beating into shape bigger and still bigger navies. That applies, too, to the renewal or non-renewal of the Anglo-Japanese Treaty, but in any case we must have such naval defence as is necessary for our security. The War and the Panama Canal has shifted the world's stage from the Mediterranean and the Atlantic to the Pacific. The stage upon which the great world drama is to be played in the future is in the Pacific. The American Navy is now in those waters. Peace in the Pacific means peace for this Empire and for the world.

With an agreement between three Great Naval Powers—or, at worst, between two—then the force necessary to defend this Empire by sea—and that it rests on sea power is certain, and I am never tired of repeating this most significant fact to those who are apt to forget how the British Empire came into being and has been maintained—would be much less. But whatever it is we must have it.

PART OF DOMINIONS IN EMPIRE DEFENCE.

And now one word about the part of the Dominions in Empire defence. You, Sir, said some time ago that Britain had paid so dearly for victory and was groaning under such a crushing burden of debt that it could no longer alone be responsible for the defence of the Empire by sea as it had heretofore, and that the other parts of the Empire must do their share. To that doctrine I subscribe without reservation. I think it is the corollary of our admission into the councils of the Empire to determine the foreign policy. The foreign policy determined or approved by us at this Conference may lead to war. In any case the foreign policy of a nation must be limited by its power to enforce it, whether that power be wholly resident in itself, or come from an alliance, or from the League of Nations. The ambitions of men and nations are curbed by their material power. In our case, sea power is, and must always be, the determining factor of our foreign policy.

Now we cannot fairly ask for the right to decide the foreign policy of the Empire and say that we will have no part whatever in naval defence, we will not pay our share. If you ask me what is our share, I say frankly that I am not prepared at this moment to indicate it. We can do that when we come to deal with the matter in detail, but one principle seems to emerge and it is this. I do not think that our share *per capita* should be as great as Britain's share *per capita*, because Britain has Crown Colonies, and dependencies, and India to defend. But whatever is our fair share should be borne upon a *per capita* basis by all the Dominions. That, I think, is the only fair and proper basis. If the converse be conceded for a moment, and some pay more *per capita* than others, then I do not understand the basis of union amongst us. Dangers to the Empire or to any part of it are to be met surely by unity of action. That is at once the principle upon which the Empire rests, and upon which its security depends. The Dominions could not exist if it were not for the British Navy. We must not forget this. We are a united Empire or we are nothing. Now who is to say from what quarter dangers will come to any of us? It comes now from the East and to-morrow from the West. But from whatever quarter it comes we meet it as a united Empire, the whole of our strength is thrown against the danger which threatens us. If some Dominions say "we are not in any danger, you are, you pay; we will not, or cannot, contribute towards naval defence," an impossible position is created. I cannot subscribe to such a doctrine. It is incompatible with the circumstances of our relationship to Britain and to each other, it menaces our safety and our very existence, it is a negation of our unity.

I need hardly say that I do not believe that the Dominion quota for naval defence should be expressed in terms of a money contribution, but in terms of Dominion Navies. This is a point upon which the Admiralty has expressed itself very strongly, and the suggestion of monetary contribution is not to be seriously considered. In any case, we shall be able to discuss the matter when naval defence is being dealt with.

STATUS OF DOMINIONS.

I have nothing further to say on those matters to which you referred yesterday, but reference to one other point may be permitted. It is well that we should know each other's views. We ought not to discuss things in the dark. It has been suggested that a Constitutional Conference should be held next year. It may be that I am very dense, but I am totally at a loss to understand what it is that this Constitutional Conference proposes to do. Is it that the Dominions are seeking new powers, or are desirous of using powers they already have, or is the Conference to draw up a declaration of rights, to set down in black and white the relations between Britain and the Dominions? What is this Conference to do? What is the reason for calling it together? I know, of course, the Resolution of the 1917 Conference. But much water has run under the bridge since then. Surely this Conference is not intended to limit the rights we now have. Yet what new right, what extension of power can it give us? What is there that we cannot do now? What could the Dominions do as independent nations that they cannot do now? What limitation is now imposed upon them? What can they not do, even to encompass their own destruction by sundering the bonds that bind them to the Empire? What yet do they lack? Canada has asserted her right to make treaties. She has made treaties. She is asserting her right to appoint an Ambassador at Washington. Are these the marks of Slave States, or quasi-sovereignty? In what essential thing does any one of the great Self-Governing Dominions differ from independent nations? It is true there is a sentiment, a figment, a few ancient forms: there is what Sir F. Pollock calls the figment of the right of the British Parliament to make laws affecting the Dominions. Supposing the British Parliament should make a law to-morrow which would take from me the very position in which I stand, namely, a representative of a Parliament that exists and was brought into being by a British Statute. I suppose that would apply to you General Smuts, and to you, Mr. Meighen. They could pass that law, and although we might be here as individuals, so far as legal or constitutional status is concerned we should have ceased to exist. But, as Sir F. Pollock says, this power of the British Parliament is a figment, a shadow. Either it must limit our rights of self-government, or it must weaken the bonds of Empire, or it must simply content itself with asserting rights and privileges and responsibilities that are ours already and that none question. In effect, we have all the rights of self-government enjoyed by independent nations. That being the position, what is the

Constitutional Conference going to do? The proposal to hold a Constitutional Conference is causing considerable anxiety, at any rate in Australia. So far from anticipating that it is to give us greater power, some fear it will take away some of the powers that we have, and my difficulty is, and has been, to try and allay those doubts, which are very strongly held. I think everyone of us is confronted with the same position. I think even this Conference is surrounded with clouds of suspicion. Our right to a name is in question. If we call ourselves a Conference it is wrong; if we call ourselves a Cabinet it is wrong—a Council is still worse. I am sure between General Smuts and myself there is, in fact, very little difference, if any. But, nevertheless, I say that we are treading on very dangerous ground, and I say this to him. We have achieved this wonderful progress—and it is wonderful progress—along certain lines. Is he not satisfied with the progress we have made? The difference between the status of the Dominions now and twenty-five years ago is very great. We were Colonies, we became Dominions. We have been accorded the status of nations. Our progress in material greatness has kept pace with our constitutional development. Let us leave well alone. That is my advice. We have now on the agenda paper matters which mark a new era in Empire government. We, the representatives of the Dominions, are met together to formulate a foreign policy for the Empire. What greater advance is conceivable? What remains to us? We are like so many Alexanders. What other worlds have we to conquer? I do not speak of Utopias nor of shadows, but of solid earth. I know of no power that the Prime Minister of Britain has, that General Smuts has not. Our presence here round this table, the agenda paper before us, the basis of equality on which we meet, these things speak in trumpet tones that this Conference of free democratic nations is, as Mr. Lloyd George said yesterday, a living force.

OPENING SPEECH BY GENERAL SMUTS.

GENERAL SMUTS: I should like to associate myself with what has been said by the Prime Minister of Australia in regard to the speech which you made yesterday, and, in particular, speaking on behalf of South Africa, I should like to thank you very, very much for the reference you made to General Botha. General Botha was not only a great South African, but a great man, and his name will remain as one of the greatest men in the history of the British Empire, and I think the references made to him yesterday were fully justified. You opened yesterday, Prime Minister, in a speech, if I may say so, of such power and brilliance, that it is very difficult for us, in fact, impossible for me, to follow on, but we agreed yesterday that the Prime Ministers should each make a general preliminary statement, and so I proceed to make a few remarks upon the topics on which we are called upon to deal here.

NEED FOR PEACE.

I think a discussion like this may be useful, because it will disclose in a preliminary and general way the attitude taken up by the Dominions on the topics which we have come here to discuss. I shall not attempt to break fresh ground in the few remarks I am going to make. I am going to adhere more or less to the tenor of what I said in the South African Parliament when the subject matters of this Conference were under debate. What I said was generally approved in Parliament and by the public in South Africa, and I shall therefore adhere to what I said there. I said on that occasion that what the world most needs to-day is peace, a return to a peaceful temper and to the resumption of peaceful and normal industry. To my mind that is the test of all true policy to-day. Peace is wanted by the world. Peace is wanted especially by the peoples of the British Empire. We are a peaceful Empire, our very nature is such that peace is necessary for us. We have no military aims to serve, we have no militaristic ideals, and it is only in a peaceful world that our ideals can be realized. It should, therefore, be the main, in fact, the only object of British policy to secure real peace for the Empire and the world generally. Now the Prime Minister stated in his speech what progress has been made towards the attainment of this ideal. He pointed out that some of the matters which gave us the greatest trouble in Paris had been settled. The question of reparations, which was, perhaps, the most difficult and intricate with which we had to deal in Paris, has finally, after some years of debate and trouble, been eliminated, in a settlement which, I venture to hope, will prove final and workable. That is a very great advance. The other great advance that has

been made—and it is an enormous advance—is the final disarmament of Germany. That the greatest military Empire that has ever existed in history should be reduced to a peace establishment of 100,000 men is something which I considered practically impossible. It is a great achievement, so far-reaching, indeed, that it ought to become the basis of a new departure in world policy. We cannot stop with Germany, we cannot stop with the disarmament of Germany. It is impossible for us to continue to envisage the future of the world from the point of view of war. I believe it is impossible for us to contemplate the piling up of armaments in the future of the world and the exhaustion of our very limited remaining resources in order to carry out a policy of that kind.

Such a policy would be criminal, it would be the betrayal of the causes for which we fought during the War, and if we embarked on such a policy it would be our undoing. If we were to go forward into the future staggering under the load of military and naval armaments whilst our competitors in Central Europe were free from the incubus of great armies, we should be severely handicapped, and in the end we should have the fruits of victory lost to us by our post-war policy. Already circumstances are developing on those lines. Already under the operation of inexorable economic factors we find that the position is developing to the advantage of Central Europe. The depreciation of their currencies, the universal depreciation of currencies, and the unsettlement of the exchanges are having the effect of practical repudiation of liabilities on the part of a large part of the Continent. If we add to our financial responsibilities and have, in addition, to pile on the fresh burdens of new armies and navies I am afraid the future for us is very dark indeed, and we shall in the long run lose all we have won on the field of battle.

EMPIRE'S POLICY SHOULD BE FOR REDUCTION OF ARMAMENTS.

Armaments depend upon policy, and therefore I press very strongly that our policy should be such as to make the race for armaments impossible. That should be the cardinal feature of our foreign policy. We should not go into the future under this awful handicap of having to support great armaments, build new fleets, raise new armies, whilst our economic competitors are free of that liability under the Peace Treaty. The most fatal mistake of all, in my humble opinion, would be a race of armaments against America. America is the nation that is closest to us in all the human ties. The Dominions look upon her as the oldest of them. She is the relation with whom we most closely agree, and with whom we can most cordially work together. She left our circle a long time ago because of a great historic mistake. I am not sure that a wise policy after the great events through which we have recently passed might not repair the effects of that great historic error, and once more bring America on to lines of general co-operation with the British Empire. America, after all, has proved a staunch and tried friend during the War. She came in late because she did not realize what was at stake. In the very darkest hour of the War she came in and ranged herself on our side. That was, I believe, the determining factor in the victory of our great cause.

NEED FOR CLOSE UNDERSTANDING WITH UNITED STATES.

Since the War we have somewhat drifted apart. I need not go into the story—I do not know the whole story—it is only known to you here. There are matters on which we have not seen eye to eye, to some extent springing from what happened at Paris and also from mistakes made by statesmen. But these mistakes do not affect the fundamental attitude of the two peoples. To my mind it seems clear that the only path of safety for the British Empire is a path on which she can walk together with America. In saying this I do not wish to be understood as advocating an American alliance. Nothing of the kind. I do not advocate an alliance or any exclusive arrangement with America. It would be undesirable, it would be impossible and unnecessary. The British Empire is not in need of exclusive allies. It emerged from the War quite the greatest Power in the world, and it is only unwisdom or unsound policy that could rob her of that great position. She does not want exclusive alliances. What she wants to see established is more universal friendship in the world. The nations of the British Empire wish to make all the nations of the world more friendly to each other. We wish to remove grounds for misunderstandings and causes of friction, and to bring together all the free peoples of the world in a system of friendly conferences and consultations in regard to their difficulties. We wish to see a real Society of Nations, away from

the old ideas and practices of national domination or Imperial domination, which were the real root causes of the great War. No, not in alliances, in any exclusive alliances, but in a new spirit of amity and co-operation do we seek the solution of the problems of the future. Although America is not a member of the League of Nations, there is no doubt that co-operation between her and the British Empire would be the easy and natural thing, and there is no doubt it would be the wise thing.

FAR EAST AND PACIFIC THE NEW FOCUS OF WORLD'S POLITICS.

In shaping our course for the future, we must bear in mind that the whole world position has radically altered as a result of the War. Europe is no longer what she was, and the power and the position which she once occupied in the world has been largely lost. The great Empires have disappeared. Austria will never rise again. Russia and Germany will no doubt revive, but not in this generation nor in the next; and when they do, they may be very different countries in a world which may be a very different world. The position, therefore, has completely altered. The old viewpoint from which we considered Europe has completely altered. She suffers from an exhaustion, which is the most appalling fact of history; and the victorious countries of Europe are not much better off than the vanquished. No, the scene has shifted on the great stage. To my mind that is the most important fact in the world situation to-day, and the fact to which our foreign policy should have special regard. Our temptation is still to look upon the European stage as of the first importance. It is no longer so; and I suggest we should not be too deeply occupied with it. Let us be friendly and helpful all round to the best of our ability, but let us not be too deeply involved in it. The fires are still burning there, the pot is occasionally boiling over, but these are not really first-rate events any more. This state of affairs in Central Europe will probably continue for many years to come, and no act on our part could very largely alter the situation. Therefore, not from feelings of selfishness, but in a spirit of wisdom, one would counsel prudence and reserve in our Continental commitments, and that we do not let ourselves in for European entanglements more than is necessary, and that we be impartial, friendly and helpful to all alike, and avoid any partisan attitude in the concerns of the continent of Europe. Undoubtedly the scene has shifted away from Europe to the Far East and to the Pacific. The problems of the Pacific are to my mind the world problems of the next fifty years or more. In these problems we are, as an Empire, very vitally interested. Three of the Dominions border on the Pacific; India is next door; there, too, are the United States and Japan. There, also, is China, the fate of the greatest human population on earth will have to be decided. There, Europe, Asia and America are meeting, and there, I believe, the next great chapter in human history will be enacted. I ask myself what will be the character of that history? Will it be along the old lines? Will it be the old spirit of national and Imperial domination which has been the undoing of Europe? Or shall we have learned our lesson? Shall we have purged our souls in the fires through which we have passed? Will it be a future of peaceful co-operation, of friendly co-ordination of all the vast interests at stake?

NEED OF FRIENDLY CONFERENCES FOR THE FUTURE.

Shall we act in continuous friendly consultation in the true spirit of a Society of Nations, or will there once more be a repetition of rival groups, of exclusive alliances, and finally, of a terrible catastrophe more fatal than the one we have passed through? That, to my mind, is the alternative. That is the parting of the ways at which we have arrived now. That is the great matter, I take it, we are met to consider in this Conference. If we are wisely guided at this juncture, this Conference may well become one of the great landmarks in history. It comes most opportune. The American Senate has already made the first move in a unanimous resolution calling for a Conference of the United States, the British Empire and Japan. Japan has been a consistent supporter of the League of Nations. She is one of the Great Powers with a permanent seat on the Council, and she has, so far as I can gather, consistently been a power for good in the Councils of the League of Nations. The British Empire, again, is not only one of the strongest influences behind the League, but she is honestly and sincerely feeling her way to a better ordering of international relations. China is not only a member of the

League, but has been elected a member of the Council at the last meeting of the Assembly at Geneva. All the great parties concerned in the Pacific and in Pacific policy are, therefore, pledged to friendly conference and consultation in regard to what is the most important, possibly the most dangerous, next phase of world politics. They are all pledged to the new system of conference and consultation, either by membership of the League and its Council, or, in the case of America, by the resolution which the Senate has just passed. It is now for this Conference of ours to give the lead and guide the Powers concerned into a friendly conference, or system of conferences, in regard to this great issue. This, I submit, is the great opportunity presented to this Conference, and I trust that our deliberations will be exploited to the full for the good and future peace of the world. As you said yesterday, Mr. Prime Minister, the British Empire involves the great question of East and West, the relations of East and West. That great question is now coming to a head. There is no doubt that the British Empire is more vitally interested than any other country in this, for she has her feet planted on all the continents. By her great position she is called upon to act as the peacemaker, the mediator, between East and West, and nowhere else has she such scope, such opportunity, for great world service as just here. Great rival civilizations are meeting and great questions have to be decided for the future. I most heartily applaud what you said yesterday on this point, and I trust that difficulties on this most thorny path will not prove insuperable to us. You spoke yesterday most eloquently on the Peace Treaty, the sacredness of the Peace Treaty, and the obligation to carry out the Peace Treaty

LEAGUE OF NATIONS.

There is one chapter in that Treaty which, to my mind, should be specially sacred to the British Empire. That is the first chapter on the League of Nations. The Covenant may be faulty, it may need amendment in order to make it more workable and more generally acceptable, but let us never forget that the Covenant embodies the most deeply-felt longings of the human race for a better life. There, more than anywhere else, do we find a serious effort made to translate into practical reality the great ideals that actuated us during the War, the ideals for which millions of our best gave their lives. The method of understanding instead of violence, of free co-operation, of consultation and conference in all great difficulties which we have found so fruitful in our Empire system, is the method which the League attempts to apply to the affairs of the world. Let us, in the British Empire, back it for all it is worth. It may well prove, for international relations, the way out of the present morass. It may become the foundation of a new international system which will render armaments unnecessary, and give the world at large the blessings which we enjoy in our lesser League of Nations in the Empire.

I have spoken at length already, Prime Minister, and therefore I do not wish to refer to the other great matter which we are met here to consider, and which Mr. Hughes touched upon, namely, constitutional relations. We shall come to a very full discussion of that subject, and, therefore, I do not wish to say any more at this stage.

OPENING SPEECH BY MR. MASSEY.

MR. MASSEY: In the first place, Prime Minister, I want briefly to take advantage of what you referred to as our "unenviable privilege," speaking for myself, the privilege of having the longest record as Prime Minister of any of those who sit around the Council Board to-day, and on that account I want to add a few words to what you have said with regard to an old friend, General Botha. During the very few months that I was acquainted with General Botha I came to regard him as one of the best men I ever met, a great man, undoubtedly, and, in addition, a great British statesman. If he had been with us to-day it goes without saying he would have been invaluable in assisting to solve some of the difficult problems with which we are face to face. I feel confident of this, that it will be a very long time before his services are forgotten, either by South Africa, with which he was more intimately associated, or with the citizens of the British Empire wherever they may happen to be. I want, too, to express my regret that we have not with us on the present occasion men who did great work in days gone by. I refer to Lord Milner, Lord Long, better known to us as the Right Honourable Mr. Walter Long, and Sir Robert Borden. I hope that their retirement from

Empire service is only temporary, but, in any case, I trust, and I know it, that when we require their advice and counsel, their services to the Empire will always be willingly and faithfully given.

I think I ought to say a word of welcome to those who are met in this room for the first time, and I feel confident that they will do credit to those behind them who have honoured them with their confidence, and that their coming here will be an acquisition to the Conference which I hope and believe will make for better things so far as the Empire is concerned.

And now, Prime Minister, I want to refer, briefly, to the very fine speech which we, the members of this organization, had the opportunity of listening to yesterday.

STATUS OF DOMINIONS.

I want to say that I look upon it as the most important speech delivered since the War, and a speech which, to the British citizens of the Dominions, will give great satisfaction, and not only to them but to the citizens at the heart of the Empire, the United Kingdom itself. It will give confidence to a number of people and a very large number of citizens who are anxious about the present position and feel a certain anxiety with regard to what may happen at this Conference. The speech was candid, outspoken, and well expressed, and it gave the impression, which I have not the very slightest doubt it was intended to convey, that the Prime Minister intends to place the whole of his cards upon the table, take us, who are the representatives of the Overseas Dominions, into his complete confidence and ask for our assistance in settling the difficulties which at present appear to confront us. The speech, in my opinion, struck the right note, and it will give, I am quite sure, more confidence to people overseas and to citizens generally than the Prime Minister himself imagines could possibly be the case. Ever since the signatures of the representatives of the Dominions were attached to the Peace Treaty at Versailles on the 28th June, 1919, there has been a feeling on the part of many intelligent men and women that the future of the Empire may possibly have been endangered thereby. What I mean is this, that I have seen it stated repeatedly, as a result of the signing of the Peace Treaty, which, of course, included the Covenant of the League of Nations, the Dominions of the Empire had acquired complete independence, and, in case of the Empire being involved in war—which I say heaven forbid, and I say it with all my heart and soul—any one of the Dominions might refrain from taking part or assisting the Empire in any way. I do not agree with that view, and I go upon the principle that when the King, the Head of the State, declares war the whole of his subjects are at war, and that must be the case if some of the best constitutional authorities are right. That is one of the causes of anxiety at the present time. There is the other as a logical sequence of the first, that any Dominion—I won't say Dependencies, Dependencies are in a different position—but any Dominion may, on account of what has taken place, enter into a treaty with any foreign country irrespective of what the Empire as a whole may do. I am not now referring to a treaty entered into for commercial purposes, that is quite another matter. As I understand the position, any Dominion may make a commercial arrangement with any foreign country, but the treaties of which I am thinking and of which many other people are thinking are treaties involving war or peace or foreign policy as the case may be. These latter are the treaties which, I understand, in existing circumstances, a Dominion has not the right to enter into. I bring this up now; I had thought of waiting for another year, but one never knows what may happen during twelve months. Personally, I doubt if it will be possible to hold the Conference which was intended for next year, for reasons which may not perhaps have occurred to many here present. I think I am right in saying there will be an election in Australia next year. I am not authorised to say this, but I have heard it said that possibly Canada will have an election next year. That I do not know, but I do know this, that New Zealand must face an election next year.

MR. LLOYD GEORGE: How many years have you?

MR. MASSEY: Three years.

MR. LLOYD GEORGE: How many years have you?

MR. MEIGHEN: Five years.

MR. LLOYD GEORGE: How many years does your Parliament last?

MR. HUGHES: Three years.

MR. MASSEY: We are in the same year, so when Australia has an election New Zealand has an election. I am suggesting that we shall probably have a number of

elections next year, and therefore it may not be possible to hold an Imperial Conference for any purpose whatever.

MR. HUGHES: I am glad you mentioned that. That is one of the practical difficulties. I think I told you, Sir, it would be impossible for me to come next year.

STATUS OF PRESENT CONFERENCE.

MR. MASSEY: I was referring to constitutional questions which are causing difficulties at present, and I should like to see them cleared up. I think we are in a dangerous position—a position which may bring friction in a year or two's time or in the years to come. I think it should be faced now, and we should arrive at an understanding as to exactly where we are. There is another point. The Imperial War Cabinet has been referred to on a number of occasions to-day and yesterday, and I read with a great deal of interest an article by Lord Milner in one of the papers yesterday morning, I think *The Times*. I may say I agree thoroughly with the opinion expressed by Lord Milner in regard to the Imperial War Cabinet. I believe it did magnificent work, and I hoped that it would become a permanent institution, modified, of course, as required by a period of peace. The Imperial War Cabinet was suitable for a period of war. I do not mean to say we should go on the same lines. We are here to-day, and I think I am right in saying we do not even know what to call ourselves, and there is a great deal in a name. A Conference means consultation and consultation only, but a Cabinet also carries with it the right to recommend some definite course to the Sovereign. Of course, behind it all there is the responsibility on the part of each representative of the Dominions particularly, or even of the United Kingdom, to the Parliaments behind us; we must take the responsibility of our actions; but I think most of us, all of us, here to-day are experienced politicians, and I am quite sure that we are not likely to go too far. There is another difficulty. The representatives of the Dominions and India meet the representatives of the United Kingdom in conference, but we have no right to join in any recommendation that may be made to the Sovereign in regard to any course which requires his assent and which may be thought desirable. Now, I am not anxious about this. I have absolute confidence in the good sense of British people and British statesmen, but still there is the anomaly. There is something there that wants to be put right. Using a term which is often used, it is not democratic. I do not know whether these matters can be discussed and dealt with during the present Conference, and I am calling it a Conference for want of a better name. What I object to is what the name Conference implies. I do not know whether we are able to deal with it during the term of the present Conference, or whether we are not, but I do think the matter should be settled, and not left over indefinitely. We sometimes talk about what we have gained in recent years, and we have gained a great deal. There is no question about that. We have gained in status and in other ways. We stand in quite a different position from that in which the Dominions and Dependencies of the Empire, including India, stood ten years ago, but we have gone back as compared with what was the case two years ago when the Imperial War Cabinet was in existence.

MR. HUGHES: I do not quite follow where we have gone back.

VALUE OF PARTNERSHIP OF NATIONS.

MR. MASSEY: We have lost the right which we had then on war matters, and even other matters, to assist in making a recommendation to the Sovereign, the Head of the State, in regard to any course of action which we thought desirable and which required his assent. I may be wrong in the view I take, but I feel so strongly about it, and I have discussed it with my colleagues in New Zealand, though I have not mentioned it in Parliament except by way of a brief hint. I went no further with my own Parliament, but I would not be justified in allowing this Conference to pass without bringing it up. I may say that I believe thoroughly and strongly in the partnership of nations. It does not matter what you call it—a family of nations, a Commonwealth of Nations, or anything else, so long as the partnership is applied. I believe thoroughly and firmly in that; but even a partnership of nations, any more than a nation, cannot stand still. We must either progress or decay. There is no question about that, and I hope those who are entrusted with the management of the public affairs of the Empire itself, and of the countries of the Empire, will see that no decay takes place. There is one point I must acknowledge in this connexion, and it is this. While I have called attention to the anomaly, I admit, and am thoroughly of opinion, that there is a far stronger power in the British Empire

to-day than any words that may be placed upon paper, either printed or written—that is, the sentiments of the British people, the patriotic sentiments of the British people. I am not merely speaking of Anglo-Saxons or Europeans, or any one race. I am speaking of the British people right through the Empire, including the native races. You cannot go beyond sentiment. And I am quite sure that as soon as they understand what is taking place or its possibility, if only its possibility, they will see that these matters, which may appear small at the time, are rectified without waiting too long.

THE PACIFIC THE FUTURE STORM CENTRE.

I want to say something about naval defence. It has been referred to by Mr. Hughes, and I may say that there is no difference of opinion between Mr. Hughes and myself in regard to the necessity for naval defence. The storm centre has changed undoubtedly during the last few years, so far as it is possible to judge by appearances, and many of us fear that the next war—and I wish I were optimistic enough to believe we had seen the last of wars, but I am not—we fear that the next naval war will be fought in the Pacific. Human nature has not changed very much in the last 5,000 years, and although we have profited by the lessons of the War, and I would like to think that the lessons of the War would prevent war, that the suffering that the people of Europe endured, the tremendous loss of life, the misery they endured, I would like to think that these, taken together or any one of them, would prevent war in the future. I am not looking forward to war in the immediate future. There are clouds on the horizon it is true, some of them perhaps no bigger than the proverbial man's hand, but they are there, and they may bring war sooner than we expect. The wish, however, is not father to the thought.

NAVAL DEFENCE MUST PROTECT EMPIRE'S COMMUNICATIONS.

I hope the indications may come to nothing, and no one will be better pleased than myself if they come to naught, but so far as naval defence is concerned—I am speaking of the Empire now, a chain of countries right round the globe, Dominions, Dependencies, and the Empire within an Empire, India, as well as the United Kingdom—whatever may happen in the future, I do hope that there will be a sufficient naval force kept in order to maintain the connexions between the different parts of the Empire, and that was where there was a danger of our losing the last War. In connexion with submarine warfare in its worst days, about 1917, before the hydrophone and depth charge had been perfected, when the ships were being sunk faster than we were able to turn them out, there was a danger then of the connexions being cut between the different Dominions and the heart of the Empire particularly, or even between the different countries of the Empire outside the United Kingdom itself, and if the connexions had been cut we should certainly have lost the War—nothing could have saved us. Fortunately, things turned out as some of us were optimistic enough to expect, but again we have to think of the future, and we have to remember the lessons of the last War. I know, of course, there are great changes—great improvements, if you can call them improvements—in the instruments of war. Probably different methods, but we can only go as far as our knowledge allows us, and I hope this point will not be lost sight of. If it were possible—for my feeling about war is so strong, and I have no doubt it is shared by everyone present—if it were possible for me by one stroke of the pen to strike out the possibility of war, I would do it without hesitation, but it is not. We know, every one of us, that there are countries in the world to-day, densely-inhabited countries, that are only kept within their own boundaries, and kept from inflicting injustice on their weaker neighbours, by the fact that if they did it would probably bring down on them a stronger Power than themselves.

NEW ZEALAND'S SHARE IN NAVAL DEFENCE.

Mr. Hughes referred to the financial side of the question and the upkeep of the British navy of the future. I do not suppose that New Zealand is in any better financial position than any other country. We have not been exactly crippled, but we feel the result of the War expenditure, and we are likely to feel it for some time to come. But for all that—I speak on behalf of New Zealand—I take the responsibility of saying that New Zealand will find its fair share of the money necessary to provide a navy strong enough in comparison with other navies to defend the Pacific in case of attack. I hope it will not be necessary, but it is

only right that I should express what I feel, and I feel very strongly after seeing what took place on the last occasion in the Southern Pacific upon the outbreak of war. We have an idea of the possibilities that the future may bring forth, and while I have a great deal of respect for the opinion of General Smuts, I do think it would be unwise to leave the countries of the Empire—which means the Empire itself—absolutely unprotected. So far as America is concerned, I hope that we shall be able to join with America in that friendly co-operation which you, Sir, referred to in your address yesterday. I would go the length of saying that so far as I am concerned, I am prepared to join in any well thought out alliance with America. Personally, I do not think that is possible, but whatever happens I hope the time will come when America and Britain will join together, if for no other purpose and with no other object than that of keeping the peace of the world and preventing war.

VALUE OF TREATIES.

General Smuts expressed the opinion that we should do without alliances. I am sorry, but I am not able to join in that opinion. So far as our Treaties are concerned we must stand by them even if for the time being they do not seem to be to our advantage. With regard to the Treaty which was signed two years ago at Versailles, and which provided that we—I am speaking of the Empire now—should come to the assistance of France in case of necessity—I do not know whether legally that Treaty stands. I doubt it, because America has withdrawn from the position which she then took up. But so far as we are concerned I have no doubt about our moral obligation. Our reputation for fair and honest dealing is one of our best assets and must be maintained at all costs. Then we must ask ourselves this question: We have got through the worst war the world has ever witnessed—I hope the world will never see another like it—but if Britain had been compelled to stand alone in that War, the question that must occur to each and everyone of us would be “Could Britain have been successful?” I doubt it. With all the confidence that I have in the might and power of Britain and the patriotism of her people—and their patriotism was proved by the fact that one million British citizens—the flower of the Empire—gave their lives to save the Empire—I doubt if by ourselves we could have stood up against the Powers of Central Europe and have come out successfully during that War.

RECOMMENDS RENEWAL OF ANGLO-JAPANESE ALLIANCE.

With regard to the Anglo-Japanese Treaty, this is probably one of the most important things we have to deal with. I declined even to my own Parliament to discuss details of many matters which I felt confident would be brought up before this Conference comes to an end. I took my Parliament into my fullest confidence so far as the proposed Japanese Treaty was concerned, and I told them that in my opinion, with whatever modifications may be necessary, I was quite prepared to support its renewal. It is only right to admit that, in saying that, I am guided to a certain extent by what took place during the War period. There was one period of the war, very soon after the War broke out, when New Zealand had 10,000 men ready to send to the front, and the ships and equipment ready to send them, and information reached us from an official source—that the Pacific was not safe. I had an instinct that it was not safe, but that information decided me, so far as it was possible for a Prime Minister to decide, and I appealed, perhaps in strong terms and by strong methods which I thought justified at the time, to the British Government to send us protection for these 10,000 men before they were sent out into the Pacific, knowing that there was a strong German squadron in those waters. The strength of that squadron was proved by what happened afterwards, when they met two quite good British ships—I will not say battleships or even big battle-cruisers, but they met two strong British warships—and sank them with a loss of 1,600 men. The ships were the “Good Hope” and, I think, the “Monmouth.”

MR. CHURCHILL: Yes, that is right.

MR. MASSEY: They were there and it was quite impossible to find out when our transport was ready to sail, where the German squadron was located. I felt that I could not take the responsibility of sending these men off without protection. However, the British Government—I think Mr. Churchill was the head of the Admiralty at that time—acceded to our request, and arrangements were made with

Japan to send out a strong battle-cruiser, not a battleship, with 12-inch guns, and a powerful British cruiser, the name of which I have forgotten but which had been the flagship of the China squadron.

MR. CHURCHILL: It was the "Minotaur."

MR. MASSEY: When those two ships came we were perfectly safe. I think our anxiety was justified by the fact—and there are very few men to-day who will not recollect it—that that was the trip upon which the "Sydney" sank the "Emden." By that time, by the way, the Australian ships had joined ours, and in the Indian Ocean there were about twenty-eight ships or more carrying troops totalling probably 28,000 men. I will say that we were justified in New Zealand in our anxiety for the safety of those men. My support of the Anglo-Japanese Treaty does not in the very slightest affect the fact that in New Zealand we stand by our right to choose our future fellow-citizens, and it is only fair to say that our legislation on the subject has never been found fault with by either the Japanese or any other race. Personally I do not think there will be another war during this generation. It is only right to say so, but wars have come up very unexpectedly and it is not well to leave the necessary preparations until the last moment. I trust that so far as naval defence is concerned, and it is on naval defence that the safety of the Empire of the future rests, we shall not be found unprepared.

POSITION IF JAPAN HAD BEEN AN ENEMY IN 1914-18.

There is just another point arising out of the proposed renewal of the Japanese Treaty and it is this. Supposing Japan had been on the other side? I do not mean to say that is possible, because there was the Treaty, but the Treaty as it is to-day did not compel Japan to come into the War in the circumstances in connexion with which the War was fought. But supposing Japan had been on the enemy side, one result would have been quite certain, that neither Australia nor New Zealand would have been able to send troops to the front, neither could we have sent food or equipment—equipment for the soldiers and sailors or food for the civil population of Britain. It would not have been possible. These things have all to be remembered in connexion with the renewal of the Treaty. I am prepared to take the American view into consideration. I do not want to leave any wrong impression on that point. I am quite prepared, as I said, to join with America to prevent war, but I must put the position as it occurs to me and as my experience dictates, and I do not think any apology is necessary for my doing so.

There are several points referred to in the address by the Prime Minister which must come up again before the Conference comes to an end, and I was very glad to hear what was said about reparation. Apparently I missed the report of the negotiations: in all probability the negotiations took place between the time I left New Zealand and before I arrived here.

MR. LLOYD GEORGE: That is so, I think.

MR. MASSEY: I should be very glad indeed to hear a statement made—not merely on my own account, for I know it will be of interest to everyone present—of what the exact position is so far as reparation is concerned.

LORD CURZON: If we circulate the short statement upon that question it might save trouble.

MR. MASSEY: Thank you, that will be good enough for me.

LORD CURZON: I will certainly let you have it

FUTURE OF THE LEAGUE OF NATIONS.

MR. MASSEY: I want briefly to refer to some matters which I think should be dealt with. The League of Nations has already been referred to. I do not know what the future of the League of Nations is going to be or what effect it will have in preventing war. I should like to think it would do all that it was intended to do by its promoters, but we know, most of us, in past history that attempts to prevent war have failed. The Holy Alliance, arising out of the Congress of Vienna, was just one, and had a similar intention to the League of Nations. I do not want to say the League of Nations is beyond hope, because I know better, but the Holy Alliance did fail. I do not want to find fault with the League of Nations—but until we change human nature I am afraid it will be impossible to prevent war, much as we should like to do it.

IMPERIAL COMMUNICATIONS.

Then there is the Imperial Shipping Committee set up in pursuance of a resolution passed at a previous Imperial Conference. I refer to what is termed the Imperial Shipping Committee, but I understand it is only a temporary arrangement. In the first place, I thought it was to be a permanent organization, but so far it is only temporary. I do not know when its term of office comes to an end, but I do want to emphasize that the matter of communication between different parts of the Empire is probably one of the most vital things that this Conference could deal with. It is the old story of the highways. If we do not have good highways between different parts of the Empire, then we shall find ourselves in very serious trouble, and there is a very great deal of dissatisfaction at present with the manner in which shipping matters between different countries of the Empire are being dealt with or arranged. I do not want to make difficulties, but I think the position should be faced and some better arrangements made. I want to say a few words about the holding of future Conferences. One of the difficulties is, as Mr. Hughes and myself well know, that it is a long journey from Australia and New Zealand to the heart of the Empire, making it almost impossible to attend these gatherings yearly, and I think these Conferences should be held yearly, but if anything is going to be done in that way, we can look forward to improvements in wireless and improvements in the cable system, yet anything that we do at present must be based upon steamships and railways. Something ought to be done, and while I do not want to commit the country to it, it may resolve itself into a question of subsidies so that we may get our mails carried, and passengers carried, and our products carried from one country to the other at the lowest possible rates consistent with fair profits, and so far as mails and passengers are concerned, in a very much shorter time than it is taking at present.

SITUATION IN THE NEW HEBRIDES.

There is just one word I want to say regarding another subject, and I am only going to refer to it by way of emphasizing the necessity of something being done. I mean the difficulty in the New Hebrides, where there is a dual form of Government. I am sure most of the members of the Conference understand the position in the New Hebrides and the conditions under which the people are governed at present. The present system is absolutely unworkable, and getting into a worse condition all the time. I do not know what to suggest—except that it might be possible to arrange an exchange of territory so as to provide one Government for these islands; that ought to be a matter to be put before the French Government. There is no question about the fertility of the islands. There is quite a large area, and a large native population rapidly diminishing in number.

IMPERIAL CONFERENCES SHOULD NOT ALWAYS BE HELD IN LONDON.

In conclusion, I would like to say a word on behalf of the Dominions. I have the utmost affection for the heart of the Empire. It is the Mecca of every British citizen; but I do think that, in the interests of both the statesmen of the United Kingdom and the people of the Dominions, that meetings should be held periodically in the overseas countries of the Empire. If my suggestion is given effect to, it would give the Prime Minister and Mr. Churchill—not both perhaps together—an opportunity of visiting the Dominions. You cannot govern the Empire from the windows of Downing Street. I do hope the opportunity will be taken by statesmen at present in the United Kingdom to visit the overseas countries of the Empire, and they will then understand the views of these countries and the aspirations of their peoples. I do not think that there is anything else I want to say at this juncture. I had no idea that I should take up so much time. I should just like to say this. The people in New Zealand never before seemed to appreciate to the same extent the importance of the Imperial Conference until this occasion. They were perhaps never so enthusiastic on any previous occasions. There was practically no opposition to my coming to London, and the one point that was impressed upon me in Parliament and at the public meetings which I attended a few days prior to leaving the Dominion—the one point that was impressed upon me—was to stand for unity of Empire, and if I stood by that they would forgive all my shortcomings in other directions. I have nothing more to say, Prime Minister, and again I thank the members of this Conference for listening to me so attentively as they have done.

OPENING SPEECH BY THE HONOURABLE SRINIVASA SASTRI.

MR. LLOYD GEORGE: (to the Honourable S. Sastri)—Would you begin now, do you think?

THE HONOURABLE SRINIVASA SASTRI: I will take about fifteen to twenty minutes.

MR. LLOYD GEORGE: We have plenty of time then for that.

INDIA'S ENTHUSIASM FOR THE EMPIRE.

THE HONOURABLE SRINIVASA SASTRI: In the memorable speech to which we listened yesterday, you made a striking allusion to the generous enthusiasms and noble ideals for humanity which the War has kindled everywhere. India, let me assure you, is actuated by these enthusiasms and ideals in the same measure as other parts of this Empire. That the British Empire is the most fitting exponent of these enthusiasms and ideals we realize, and it is the peculiar good fortune of India to remain within the British Empire and take part in the work that we need ever increasingly for the realization of these noble aims and purposes.

The Princes for whom my friend, His Highness the Maharao of Cutch, will speak, and the peoples of India whom it is my privilege to represent here to-day, send their hearty allegiance to the Central Council of Empire on this occasion. We made our contributions to the conduct of the recent War; we sent you supplies of wheat, making dangerous inroads on the scanty stocks of our own people. We made munitions for the soldiers to use on the field of battle, we made money contributions out of our poverty, and we sent you men to the tune of 1,274,000, which comes up to over one-half of the total overseas forces employed in the War.

DIFFERENCE IN STATUS OF INDIA'S REPRESENTATIVES AND THE PREMIERS OF THE DOMINIONS.

Of these contributions, Prime Minister, you made handsome acknowledgment yesterday, and please accept our gratitude for the honourable mention of that fact in your speech. We, His Highness the Maharao of Cutch and I, consider it a privilege to sit at this table where history is made, and if I may strike a somewhat personal note, not being employed in the service of the Government, never having taken a share in the administration of public affairs, I consider it my particular good fortune to sit alongside with statesmen who have for generations moulded the destinies and fashioned the fortunes of their kind; but the Maharao of Cutch and I cannot fail to remember that the position we occupy here is not comparable by any means to the position occupied by our colleagues from the Dominions. They are called here by virtue of their being Prime Ministers. We come by nomination from our Government. We realize that that marks a great difference in our status, although not in the privileges to which we have been admitted at these meetings. We hope that next year, or the year after, our successors, who will take our places here, will come by a better right. The person who represents in the place of His Highness more than one-third of British territory in India will probably be chosen by the Chamber of Princes by election, and the man who takes my place may likewise be elected by the Central Legislature of the land. We have not yet acquired full Dominion status, but we realize we are planted firmly on the road to the acquisition of that status.

PROGRESS OF INDIA'S CONSTITUTION.

The Government of India Act of 1919 forms a great landmark in the growth of Indian constitution. There is nothing in our previous history with which it can be compared, either in importance or in magnitude. The Princes' Chamber, which is going to play a great part in the evolution of India, does not form an integral part within the law of our constitution. The constitution proper of British India, inaugurated by His Royal Highness the Duke of Connaught, not long ago, has shown a sense of responsibility and loyalty to the Empire, which, in my judgment, is second to none of the Parliaments within the Empire. The new Councils have worked better than we expected under the wise and sleepless watch of the Secretary of State for India. The reforms of a political character that have just been started in India are doing great work in placing us alongside the other parts of the British Empire. I must say that we have our troubles. Non-co-operation has only to be mentioned to bring to your mind an idea of the perils in which we have to live. I am happy to say that Lord Reading, our new Viceroy, may be trusted fully, as recent experience has proved, to deal with this great danger.

INTEREST OF INDIAN MOSLEMS IN TURKISH EMPIRE.

There are many subjects to which the Dominion Prime Ministers have alluded, to which also, perhaps, I may be expected, on behalf of my colleagues and myself, to say a few words, but I will forbear. There are two topics of high domestic importance to which, perhaps, this meeting will permit me to allude, as they will not take up much time. The first question to which I will draw your attention is one in which the deepest feelings of my Mohammedan fellow-countrymen are engaged. I will not say much on that topic, as all the issues are at present in full vividness in your minds. On the Maharao of Cutch and myself, who are Hindoos, there rests a very peculiar duty of voicing the feelings of our Moslem fellow-subjects on this occasion. I will only venture on this remark—that in any arrangements that may be made for the future of the Turkish Empire, statesmen of the United Kingdom will have to remember that they must show as much chivalry and tenderness as may be expected from a mighty victor. I have no manner of doubt in my own mind that you will be actuated by these considerations, which are always present to those who have inherited the great traditions of British prowess and the still greater traditions of British sportsmanship.

STATUS OF INDIANS IN DOMINIONS.

There is another subject of great importance which I must mention—that is the status enjoyed by Indians in the Dominions of the British Empire. In noble words you described this Empire, Sir, as a Confederation of Races into which willing and free peoples had been admitted—willing and free peoples; consent is incongruous with inequality of races, and freedom necessarily implies admission of all people to the rights of citizenship without reservation. In impressive and far-seeing words the Prime Minister of South Africa alluded to the establishment of everlasting peace. Peace means a stable and unalterable relationship between communities—based on honourable equality and recognition of equality of status. To embody this ideal, there are deductions from it now in actual practice; we are going to submit, I mean our Indian Delegation, for the consideration of this Cabinet, a resolution, the terms of which I understand have already been communicated to you. This is a resolution that will be regarded in India as the test by which the whole position must be judged. I won't say more than that. It is of supreme importance that that subject should be considered and disposed of satisfactorily at this meeting, and it is of the most urgent and pressing importance that we should be enabled to carry back a message of hope and of good cheer. There is no conviction more strongly in our minds than this, that a full enjoyment of citizenship within the British Empire applies, not only to the United Kingdom, but to every self-governing Dominion within its compass. We have already, Sir, as you are aware, agreed to a subtraction from the integrity of the rights of the compromise of 1913 to which my predecessor, Lord Sinha, was a party, that each Dominion and each self-governing part of the Empire should be free to regulate the composition of its population by suitable immigration laws. On that compromise there is no intention whatever to go back, but we plead on behalf of those who are already fully domiciled in the various self-governing Dominions according to the laws under which those Dominions are governed—to these people there is no reason whatever to deny the full rights of citizenship, it is for them that we plead; where they are lawfully settled, they must be admitted into the general body of citizenship and no deduction must be made from the rights that other British subjects enjoy. It is my unfortunate part to have drawn prominent attention to what we consider a great defect in the present arrangements. It may seem to be of comparatively trifling importance to the other issues we have to consider. I only plead that there should be no occasion for small bickerings, no occasion for mutual recriminations amongst us. We have great tasks. Let little things be got out of the way. I only wish that all our common energies should be bent towards realizing more and more within the Empire and extending further and further outside the British Empire, those generous ideals of progress to which, Sir, you gave such inspiring and, if I may say so, such alluring expression yesterday.

STATEMENT BY MR. CHURCHILL ON THE COLONIES, ETC.

MR. CHURCHILL: The Prime Minister has asked me to give a brief statement to the Conference, or meeting, however we are to define it about the Colonies and possessions which are administered directly under the Colonial Office, and I

need hardly say that if I were to attempt to give you a picture of the condition of these States I should occupy an enormous amount of time, because each one is a story in itself full of interest and full of romance. In every one of these Colonies there are problems similar to those in larger States, though on a smaller scale. In some cases, indeed, they are more complex than those which are found in great States, because in many of them there are great differences of race. Their finances are also complicated. Some are so exiguous that the sale of postage stamps to those who take an interest in philately is an important feature in their revenue. The production of turtles is in one case almost the staple source of export and of revenue. Others are great, wealthy, prosperous Protectorates, exporting forty million or fifty million pounds' worth of goods to this country, and supplying Great Britain, and to a certain extent the Empire, with the raw materials of some of their essential and vital industries.

PROSPERITY DURING THE WAR.

As long as the War lasted, practically all the Colonies and Dependencies were very prosperous, but with the arrival of the happy conditions of peace a wave of depression has fallen upon almost every one of them so far as their trade is concerned. During the War we got our tin from Malaya, plumbago from Ceylon, wolfram from Hong Kong, mahogany for frames of aeroplanes from Honduras, fine cotton for their wings from the West Indian Islands. The sugar producing Colonies were prosperous beyond their dreams. The oils and fats of West Africa, which used largely to go to Germany, were useful to us, and their loss was crippling to the Germans. The Falkland Islands industry of whaling was stimulated for War purposes, and they benefited thereby. Moreover, during the War, when human passions were at such a volcanic pitch, we were happily spared the cataclysms of nature. The hurricanes, earthquakes, droughts, which from time to time ruin the economic margin on which some of the Colonies exist, were happily absent, and it almost looked as if Nature were holding her hand to leave the field entirely free for the devastating activities of man.

PRESENT DEPRESSION.

But the creeping paralysis of depression has spread to almost all the Colonial industries which flourished during the War. The tin on which Malaya depends so much cannot now obtain a price which covers the cost of production. Nigerian tin is in the same position. The price of rubber does not cover the cost of production. We have been approached with pressure to enforce schemes of a compulsory limitation of output, but we have not felt able to accept such schemes. From almost every one of the Colonies complaints are coming in that its principal products cannot now be sold at a profit. Even the sugar Colonies, principally Jamaica and British Guiana, are in difficulty about the disposal of their crop. The cotton crops of Uganda and Nyasaland have suffered very heavily from the fall in prices and the same would have been true of West Africa but for the broad-minded action of the British Cotton Growing Association, which, rather than discourage the native producer by a sudden overthrow in the price at which he has been led to hope to produce, have been purchasing cotton at a price which involves a loss to that Association of £400,000 or £500,000 in the present year. We are told that this period of depression is only a temporary phase. I do not know how far that is true. The decline in the consuming power of the world, which is making its effect felt on the highly organized industries of Britain and, I have no doubt, of the Dominions, is by repercussion producing a similar result upon the raw materials which are produced by our tropical dependencies, and practically every one of the budgets of these Colonies and Protectorates is going through a period of extreme financial difficulty and even crisis. The violent fluctuations in the value of money and the changes which affect the greatest States, operate with far more direct and unshielded force upon those smaller organizations, and therefore as far as the immediate situation of the present is concerned, we are passing through a stormy period in the economic and commercial life of practically all the Colonies. But if one leaves the immediate difficulties and turns to their great and undoubted wealth and potential capabilities, one cannot help feeling how magnificent is the asset which the British Empire possesses, and of which, pending the development of more responsible and representative forms of government in these Colonies, we in Great Britain and at the Colonial Office are the trustees.

FUTURE DEVELOPMENT.

My submission to the Conference is that we must not lose heart in any way about these splendid tropical possessions which we have, but endeavour to secure credit and money for them to give them that essential technical apparatus they require to develop their great resources. In them you find every conceivable product that the world knows of, and every contributing factor even to the most highly organized superfine forms of industry. Nothing is lacking, and now that we see the American exchange is largely turned against us, and we have such great payments to make to them, we ought really more and more to turn our attention to trying to develop these wonderful hot-houses, these great tropical gardens and plantations, so as to be able to purchase as far as possible the raw products that we want from them. How can any money invested in these places go out from the Dominions, or from the mother country? It can only go out in the shape of the products of labour. How can it return—in capital or interest or in profit? It can only come back in these raw materials which we especially and particularly need, and which may some day make us independent in the most remarkable way of many foreign lands.

IMPORTANCE TO DOMINIONS.

I feel that this is a matter which, although it is confined to the Colonial Office and to this country at the present time, should more and more engage the sympathies and interest of the self-governing Dominions. I illustrate this particularly by the West Indies. In the summer of 1920 a trade agreement was made between the Canadian Government and representatives of all the West Indian Colonies. It is not merely a remarkable instance of Imperial preference, but it promotes unity with the Empire through the development of Imperial communications, which the Prime Minister will remember he and I have always considered one of the most promising lines along which we can advance, ever since the Conference which he, Sir Thomas Smartt, and I attended in the year 1907. Two lines of steamers, one entirely new, will now connect all the West Indian Colonies with the Dominion of Canada. I hope Mr. Meighen and the Canadian Government will advance with increasing confidence on this path, because it seems to me that for all the greatness of Canada and its tremendous producing potentialities, it is not a complete entity without connexion with these semi-tropical islands. Compared to the United States, Canada lies wholly to the north with northern products, whereas the United States can produce all that Canada can produce, or very nearly all, and yet reaches down to Florida and regions which give her a semi-tropical sphere. But if the association between Canada and the West Indian Islands is developed and goes on, Canada becomes equipped with an immense range of products which makes her, from an economic point of view, a far more complete entity, and therefore I look forward to everything which tends to promote a close association between these West Indian Islands and the Dominion. It is not only from the point of view of commerce alone, but they are among the most beautiful islands in the world. They are salubrious and balmy, and it might be they would be a place of agreeable resort at seasons of the year when the climate of Canada is sometimes rigorous.

MR. MEIGHEN: Bermuda is the chief one from that point of view, and Bermuda has declined to ratify the reciprocity agreement.

CONSTITUTIONAL DEVELOPMENT.

MR. CHURCHILL: We shall endeavour to use our influence as far as possible to secure the general acceptance of it. So far as the constitutional developments in the Colonies are concerned, progress has been continuous, and latterly, especially since the War, very rapid. We have every form of government, ranging from benevolent autocracies tempered by Downing Street, to two-Chamber systems, resting upon at least one of the Chambers being fully elected. For instance, the island of Bermuda celebrated its tercentenary of representative institutions dating from the day when the first general assembly of the islands was made, and therefore can boast a seniority which no existing State in Europe or America can disdain. In Mauritius there was a movement to promote an agitation for a retrocession of the island to France, but this movement has received a decisive check at the recent elections, in which all the retrocessionist candidates have been signally defeated. There has been a strong movement in Ceylon for a more popular control over the government of the Colony, following upon the movement which Mr. Montagu and

his predecessors have driven forward, fostered, and nourished in India, and a new constitution has been granted which gives a majority in the Legislature to the unofficial element. In the Kenya Colony a new constitution has been granted giving an elective basis for the unofficial members of the Council, instead of the nominated basis which existed hitherto. Uganda has reached such a stage of development that they have a Legislative Council with nominated membership. In Malta a novel experiment has been tried by my predecessor, and we hope it will succeed. Everybody knows the argument against giving Malta a Constitution. It was said you might as well give a Constitution to a battleship. We have arrived at a dyarchical system—two Governments in the island, one elective, dealing with Maltese affairs, and the other dealing with purely military and naval interests.

RHODESIA.

General Smuts will no doubt wish to discuss, and Sir Thomas Smartt also, the conditions which prevail in Rhodesia. I hope that a delegation of Rhodesians will arrive in this country before General Smuts has to leave. I have telegraphed about this. Of course, Rhodesia is a young organization to be trusted with full responsible government. Its population is smaller than Natal, when she obtained responsible government. On the other hand, the settlers are discontented with the present state of affairs. The Chartered Company is passing away, and it therefore has little incentive to spend money on the development of the country. I should like to say, if I may, that the work of this Chartered Company has been a very wonderful work for the British Empire. The shareholders have never received a penny in dividends, and they may never be able to secure more than a portion of their capital. A splendid region has been acquired and developed to a large extent, and it has all been done entirely by the voluntary effort of private capital. I hope, whatever arrangements are made, we shall not be animated by any spirit of prejudice towards this Company, who, I think, has rendered enormous service to the British Empire. As an alternative to responsible government, there is the question of the incorporation of Rhodesia in the Union. There can only be one destination for Rhodesia ultimately, and the only question we have to consider—I will not say the only question, but the main question—is, what is the psychological moment. One wants Rhodesia to be at man's estate before she joins the Union, and to join it willingly and as a partner. After all, Rhodesia is an enormous factor in the whole South African situation. We must remember that they are very much inclined to resent anything like an attempt to dispose of their destiny over their heads.

The native question is, of course, a very serious one there, and I think I was quite right to try and get these Rhodesian delegates here at the time when General Smuts and Sir Thomas Smartt are here, in order to discuss the whole position with the Colonial Office. Also, we do not want to have any appearance of dictation. I trust that the conversations we shall have when they are here will result in some arrangement that is satisfactory.

DEVELOPMENT OF COMMUNICATIONS.

We have gone on slowly developing Imperial communications. Of course, we have got very little money. The great expense of Palestine and Mesopotamia has thrown such burdens upon our backs that everything in regard to the Colonies has been very severely pruned. Still, we are developing.

EAST AFRICA.

In East Africa, I am hoping at last to make the deep water pier at Kilindini. When I left the Colonial Office in the beginning of 1908, I had already succeeded in getting it settled to make this deep-water pier. It was definitely settled. The Uganda Railway, built at enormous expense by the Imperial Government, stops forty feet short of deep water. With such a pier you would be able to unload from the ocean steamers on to the railway which runs up hundreds of miles to the great lakes, but these forty feet intervene, and everything has now to be unloaded from the steamers into lighters and from the lighters on to the railway. All articles are subject to a charge in which local vested interests are deeply concerned. I came back to the Colonial Office after thirteen years' absence, and I found still the same forty feet intervening. The same lighterage interests are deriving their profits, and the whole of the great transport of the War supplies was handled in this inefficient and

wasteful manner. However, we hope now to take that up and give the Uganda Railway what it requires—its deep-water connexion. A new line, a feeder line, we hope to develop to the railway from the Uasin Gishu Plateau, which will tap the rich district now being opened up by the soldier settlers, and will form the first link to the Congo Basin. A new line from Nyasaland to Chindio on the Zambesi has been constructed. An extension of the existing system to Lake Nyasa is now being considered, and in East Africa generally we are trying not only railways, but all forms of light transport, including road railways. I am not at all sure that the tank has not a part to play in some of these countries. I do not mean the war tank, but a caterpillar vehicle capable of collecting the produce from the scattered estates and bringing it to the railways.

NIGERIA.

The Northern Nigerian Railway which we carried through many years ago at the Colonial Office is now a very paying, prosperous proposition, and it is joined up with the Southern Nigerian Railway crossing the Niger by a fine bridge at Jebba. It reaches right up to Kano, with a branch to Bauchi. The bridge across the Benue River will contain a span 800 feet in length, and will be the third longest span in the British Empire. The whole of Nigeria is self-supporting. It is moving rapidly ahead. The natives are very prosperous. We have difficulty in getting them to come forward as soldiers, although the force maintained is a very small one, on account of the big wages to be obtained. The cost of export to Lancashire of cotton would be very much less if it were not that the local purchaser was attracted by the idea of being able to wear clothes in increasing abundance. There is no doubt that the two Nigerias will absolutely vindicate the exertions made on their behalf by the late Mr. Joseph Chamberlain. They constitute one of the most solid and valuable possessions of the British Crown, and will repay handsomely any further support by British credit which they may need. The extension of the Nigerian Eastern Railway, which at present consists of a line of 150 miles, is being taken in hand, and when complete the whole Eastern system will have 600 miles of line and will serve the rich tin mines. There are both coal and tin mines, and these are all capable of being worked, not by shafts, but by galleries.

MR. LLOYD GEORGE: Is the coal rich?

MR. WINSTON CHURCHILL: Not compared to the best fields of England, but quite enough to run the whole of Nigeria.

MR. LLOYD GEORGE: I mean the quality.

MR. WINSTON CHURCHILL: The quality is fairly good, quite good enough. At the terminus of the Eastern Railway on the Nigerian coast an important wharfage scheme has been planned. We are spending on it half-a million, not of our money, Nigerian money. The most important wharfage scheme is at Lagos, where 1½ millions are being spent on the terminus of the main railway—1,800 feet of wharves built of concrete blocks, and so on. A deep-water harbour is contemplated at Secondee on the Gold Coast. Thus we are steadily developing, in spite of the difficulties of the present time, our great tropical possessions.

CEYLON.

Coming to the other side of the world, a small but necessary extension of the Ceylon Government Railway has been undertaken to open up rice-growing districts and relieve the Colony from her dependence on oversea sources of food supply. Then we come to the Federated Malay States. Their railways were joined up with the Siamese Government Railways on the 1st July, 1918. The Federated Malay States railway system now comprises 950 miles of line, all built out of current revenue, and loans have been made to Siam by the Federated Malay States on easy terms to enable the connexion to be made between the two systems—a through train now runs from Singapore to Bangkok, and a further connexion is being made along the East Coast.

MALAY STATES.

The Federated Malay States form a most important feature in our administration. The Conference will remember the gift of the battleship "Malaya" in the year 1912 just in the nick of time for it to be ready. It was the most powerful battleship then constructed. It was one of the five fast and powerful battleships of the "Queen Elizabeth" type, and cost £3,000,000. Had our dreams of a great sea

battle materialized there is no doubt that these ships would have played a very decisive part in turning the head of the enemy's line. In many other ways the Federated Malay States have voluntarily come to our aid. They have given us more assistance than any other part of the Colonial Empire has been able to do. At the present moment they are hard hit on account of the tin and rubber prices prevailing, but I am sure these conditions are temporary. The modern world cannot get on without these commodities. Then I mention the name of the great port of Singapore, that is a matter which the Conference will have brought before them on other days when we discuss Pacific strategy generally, but it will certainly bulk increasingly largely in all our minds as the years go by.

STATUS OF INDIAN SETTLERS.

Now, I have only one other topic which I wish to refer to because I do not want to trespass too long on the attention of the Conference. It was raised by Mr. Srinivasa Sastri this morning, the question of the Indian settlers in some of our Colonies, and no doubt that problem also occurs in South Africa to a certain extent. I think there is only one ideal that the British Empire can set before itself in this regard, and that is that there should be no barrier of race, colour, or creed which should prevent any man by merit from reaching any station if he is fitted for it. At any rate I do not feel able to adopt any lesser statement of principle in regard to the Colonies, but such a principle has to be very carefully and gradually applied because intense local feelings are excited, and there is no doubt that extraordinary social stresses arise when populations are intimately mingled in some of these new countries and brought into severe economic competition. The question reaches its most acute form in Kenya.

These matters are now being discussed, and I hope to find a means of overcoming difficulties in the application of the broad principles.

TANGANYIKA TERRITORY.

There is one other point which I should mention, that is the Tanganyika territory which was acquired in the War. It was wrecked in the War; and we had to form an entirely new Administration over the whole place. We have endeavoured to equip it with a Government not inferior to the German Administration which it had replaced, with the result, in the present year, we shall have a considerable deficit on the Colony's administration, and I am very sorry to say that of the £1,500,000 which I asked for, the Chancellor of the Exchequer was unable to afford to give me more than £914,000, and I am afraid that in a year or two the state of the Tanganyika Territory will compare unfavourably with its progress and prosperity when it was in the hands of our late opponents. However, we will do the best we can.

I think, Prime Minister, although that is not by any means all I could say, because, frankly, I could go on all night talking of these places one by one—I think that gives the members of the Conference a view of that other enormous section of the British Empire, which, at any rate, ought to be present in our minds for the completeness of the discussion which is now in progress.

APPENDIX II.

STATEMENT BY MR. BALFOUR ON THE LEAGUE OF NATIONS. (8th July, 1921.)

MR. BALFOUR: I have always been a League of Nations' man, long before the League of Nations came into existence, and an experience now extending over one or two years has not only strengthened my conviction that the League of Nations is necessary, but also, I am sorry to say, my fears that it is an institution in many respects difficult to work.

Perhaps I might begin by explaining where I think the special difficulties lie before I go on to show how much the League has already done, and how hard it would be to create any other authority to take its place.

DIFFICULTIES IN WAY OF LEAGUE OF NATIONS.

It is true that some of our difficulties are only temporary. The Statesmen who at Paris framed the Covenant of the League undoubtedly assumed that the Treaty of Versailles would rapidly and effectually settle the new frontiers, redistribute territories in accordance with the wishes of the populations concerned, leaving to the League of Nations the relatively simple duty of maintaining rights clearly established, and prevent national differences developing into national wars.

Everybody knows that these hopes have not as yet been completely fulfilled. The Treaty of Sévres is still in dispute, and even the Treaty of Versailles has not been fully carried out. One of the most important objects, for example, of the latter was the determination of the boundaries of Poland. But the boundaries of Poland remain still unsettled. Another problem was the status of Galicia; but the status of Galicia is still unsettled. Now everything that leaves Middle Europe in a perturbed condition really requires the League of Nations to deal with a situation never contemplated by those who framed the Covenant under which the League has to do its work.

Another thing that was perhaps not fully considered by the framers of the Covenant was the difficulty of dealing with semi-civilized populations in territories not under Mandate. For instance, at the last Assembly one of the problems that excited most interest was the problem of Armenia. The Assembly was deeply moved, but quite helpless. Nothing effectual *was* done, nothing effectual *could* be done. The League could only make appeals in favour of a population which it was quite powerless to protect.

AMERICA.

Perhaps, however, the most serious difference between the League as it was planned and the League as it exists arises out of the absence from its ranks of three of the greatest nations of the world, two of which are not, so far as we can see at the moment, very likely to join it in the near future—I mean America and Russia.

RUSSIA AND GERMANY.

I hope that Germany will at no very distant date become a member. But Russia will only come in when she has ceased to be what for the moment she is. And whether the Soviet Government endures or perishes she is likely for some time to come to be a disturbing influence in the East of Europe which it will be difficult for the League of Nations to guide and control.

These embarrassments are in their nature temporary; but there are others—due to the constitution of the League itself. There is the difficulty, for example, of manning the Council and the Assembly. This is partly the effect of the immense distances which separate many Members of the League from our meeting place in Geneva, but partly also it is due to the fact that the Statesmen best qualified by their position to deal with League problems, namely, the Prime Ministers and the Foreign Secretaries of the various nations, cannot possibly make a regular practice of attending its meetings. In the case of Great Britain, the work of the Council, and in part the work of the Assembly, has been hitherto done by Mr. Fisher and myself, although Lord Curzon was able to take the Chair at one Council, which happened to meet in London. We are Cabinet Ministers, and are acquainted with

the general views of our colleagues; we can therefore, without inconvenience, exercise a certain measure of independent discretion without in every case referring to our Government for instructions. This renders discussion more fruitful, and business more rapid than otherwise would be possible; but it is not every Member of the League who is in a position to send Cabinet Ministers to Geneva as a matter of course.

DIFFICULTY OF RAISING FUNDS : TYPHUS IN POLAND.

Another difficulty which presents itself in our attempts to use to the full the machinery of the League is due to *Money*. We made an attempt in 1920 to obtain funds by voluntary subscription from Members of the League in order to deal with typhus in Poland and the East of Europe. Typhus was at that time, and I fear still is, not merely a great misfortune to the countries bordering upon Russia, the great centre of the infection, but a menace also to nations lying further to the West. Poland was, according to our information, making every effort to deal with this danger; the Council came to the conclusion that she should be supported, and we therefore issued an appeal for funds to the Members of the League. The appeal was, on the whole, a failure, a failure partly due no doubt to the financial difficulties which beset the whole world, partly to the fact that most Members of the League were remote from the peril with which we were endeavouring to deal. In some cases very liberal subscriptions were offered, but on the whole it was clear that, at least in existing circumstances, such appeals were not likely to succeed.

It is indeed evident that under the Parliamentary system the expenditure of the League will always present an easy object of attack. The gain to the world of international co-operation is immense, but it cannot be allocated with any definiteness between the co-operating nations. It is always, therefore, easy for a Parliamentary critic to ask what advantage his particular nation derives from the expenditure which it is called upon to make, and in these days of universal poverty such questions fall upon sympathetic ears.

If this very natural frame of mind is permitted to dominate policy, manifestly the League will perish. Some common sacrifice, however slight, is required if any common effort is to be successful. I believe this danger is not negligible, though I am sanguine enough to think that it will be successfully surmounted.

REASONS FOR SUPPORTING THE LEAGUE.

So far I have dwelt upon the obstacles which thwart and may even imperil the success of this great experiment. Let me now say a few words upon some of the reasons which require all men of goodwill to do their best to make it a success; and here I can appeal not merely to speculative theory, but to actual experience. The League has been in existence since 10th January, 1920, say about a year and a half. In that time it has had to create its machinery, to organize its methods, and to devise means for pursuing what is without doubt a new adventure in the history of mankind. One would have thought that these facts alone would mollify the sternest critic, and that no one would be so unreasonable as to expect in the first eighteen months, during which this infant institution has been in existence, the full authority and efficiency which only time can bring. But even these eighteen months are sufficient, in my opinion, to show to any impartial observer how valuable the League of Nations can be, and how impotent any other organization would be to fill its place.

I am the last person to deride what is commonly called "The Old Diplomacy." The Old Diplomacy has for many generations done much in the cause of peace, and those who see in it merely a costly method of embittering international relations and snatching national advantages, completely misread the lessons of history. But there are assuredly many things which the League of Nations has even now shown that it can do, which Diplomacy could scarcely attempt, and which it certainly could not attempt with success.

Let us consider them under three heads. The first of these is common international effort for objects which all admit to be good, but which are the special business of no nation in particular. For example, there are abuses which have to be stopped, the traffic in opium, the illegitimate traffic in arms, the traffic in women and children. With all these objects there have been attempts to deal before the League came into existence. They have not always been satisfactory, sometimes they have been wholly ineffectual. I cannot doubt that a far greater measure of success will attend the organized effort of the nations of the world, acting through

the League organism, than by any machinery which Diplomacy could possibly set up.

INTERNATIONAL COURT OF JUSTICE.

If again we turn from abuses which have to be stopped to objects which it is desirable to promote, we learn the same lesson. Consider, for example, the International Court of Justice. The establishment of such a Court has long been the desire of Statesmen; many efforts have been made to create it; but these efforts have invariably failed, and we may surely congratulate ourselves on the fact that the International Court is now in process of creation through the efforts of the League.

BARCELONA CONFERENCE ON INTERNATIONAL TRANSIT.

Again, the great Conference which met at Barcelona, under the auspices of the League, to consider the question of International Transit by Railways, Rivers and other Waterways, obviously dealt with an international problem of the first magnitude. It was the creation of the League, and without the League could hardly have come into being.

THE ECONOMIC CONDITION OF EUROPE.

But consider another and yet more pressing subject—the Economic Condition of Europe, and of the World. We have obtained peace, but we have not yet obtained the fruits of peace. The decay of credit and the paralysis of production imperil the whole industrial system of the civilized world. I do not suggest that for so great an evil the League of Nations could provide any sufficient remedy; but some contribution it has been able to make to the solution of these difficulties, a contribution which, however modest, could, so far as I can see, have been made by no other method. A Financial Conference was summoned by the League at Brussels in the course of last year. The Conference made some suggestions of great value. These we are endeavouring to apply, particularly in the case of Austria; and any measure of success which we can obtain will have beneficial effects, not only in Austria itself, but throughout the whole industrial world. Every part of that world is more or less organically connected with every other part; and what is required now is that this economic organism, paralysed and well-nigh destroyed by war, should resume once more its vigorous activities.

DANZIG AND THE SAAR VALLEY.

But there is another and wholly different set of functions thrown upon the League by the Treaty of Versailles, functions which cannot be carried out at all by any single Power, nor carried out effectually so far as I can see, except by the League itself. I refer to the government of certain exceptional areas which are not the less important, from an international point of view, because they happen to be small. I refer to the town of Danzig and the Valley of the Saar.

The town of Danzig is economically inseparable from Poland, but in population is predominantly German. The War divided it politically from Germany, while the Treaty of Peace recognized its intimate relations with Poland. At the same time its independent existence as a separate and autonomous community under the protection of the League was fully secured. The League is responsible for maintaining its Constitution, though not for framing it. But the Council felt that it could not undertake to maintain it without satisfying itself that it was just and workable. In its view the Constitution, as originally designed, was neither just nor workable. But through the efforts of the Council fundamental changes are in process of accomplishment, which will, I trust, secure the good government of the city, and promote the most amicable relations with the Polish hinterland.

The other area in connexion with which the League is specially responsible is the Saar Valley. The Saar Valley is an industrial area, mostly German in population, lying on the French frontier, and intimately connected with the adjacent French territories. By the Treaty of Peace it is, for fifteen years, to be governed by a Council appointed by the League and reporting to it, after which, by means of a plebiscite, it is to determine its own destiny. As far as I am able to judge, the very difficult problem which such an area presents is being dealt with in a fashion at least as satisfactory as we have any right to expect. On the whole the valley is orderly, industrious and contented. Much of this success is due no doubt to the self-devoted work of the Commission, of which Mr. Waugh, a Canadian Scot, is not

the least distinguished member; but the Commission is responsible to the League, and without the League I fail to see how the system could be worked. Other duties touching questions of administration are thrown upon the League, in connexion with mandates. I will not argue whether the system of mandates is a good one or a bad one. On this point opinions differ, but the system is there. It is prescribed by the Treaty of Versailles, and it represents the deliberate policy of the Allied and Associated Powers in dealing with what were once German territories outside Europe. An essential part of that system is that the procedure of the Mandatory Powers in connexion with mandated territories should be subject to some kind of international survey. This work has been entrusted to the League of Nations, and I believe that only the League of Nations can perform it. But at present no forecast can be made as to the way in which this system will work.

THE LEAGUE AND INTERNATIONAL DIFFERENCES.

The last heading under which I will consider our activities is perhaps the most important of all. It deals more immediately than any of the others with those international differences which it is the main business of the League to heal. We are sometimes asked what the League has done to promote goodwill among the Nations. I am anxious not to overstate the case, but it seems to me that during the eighteen months of its existence our record is far from being barren. I begin with a case which, if the League of Nations had not been in existence, could hardly have ended satisfactorily, though it involved no questions of territory. It seems that during the War large numbers of Jews from the northern portions of what was then the Empire of Austria took refuge in Vienna. After the Peace the Austrian Government desired to compel their return to their original homes, now no longer in Austrian territory. The Poles objected. A bitter controversy ensued, and the subject came before the Council of the League of Nations. After a good deal of discussion an arrangement was come to acceptable to both parties, and not unfavourable to the Jewish population concerned.

POLAND AND LITHUANIA.

There is a much larger question which the Council of the League are endeavouring to settle, and unfortunately final success has not yet crowned their efforts. I refer to the group of problems arising out of the relations between Poland and Lithuania. The subject is far too complicated to be dealt with here, but it may be proper to say that, in consequence of an appeal to the League, hostilities between these two countries were stopped, and a scheme determining their future relations is now being discussed in Brussels by the parties principally concerned under the able guidance of Mons. Hymans, the Belgian representative on the Council, who is acting on behalf of the League. Whether these efforts will end in an arrangement both amicable and permanent it would be premature to say, but I am confident that even the modest measure of success already attained would have been beyond the powers of any body possessing less authority than the League of Nations.

AALAND ISLANDS.

About the dispute between Sweden on the one side and Finland on the other concerning the Aaland Islands, I can speak with more confidence, and in this case a controversy involving the most complicated questions of International Law and Ethics has been finally settled. The Aaland Islands are Swedish by population; historically and juridically they form part of Finland. The whole subject was investigated on the spot by an International Commission appointed by the League, which, like some other of its Commissions, enjoyed the advantage of having on it an American representative. Their elaborate report was unanimous. They decided that the Aaland Islands belonged to Finland, but they used their good offices to secure the largest possible measure of autonomy for the Swedish population affected by their decision. We have evidence that this concession, voluntarily granted by the Government of Finland, would never have been obtained at the instance of any external Power other than a League, of which Finland, in common with most civilized Powers, was itself a member. It would be difficult to find a clearer instance of the manner in which, under favourable circumstances, the League may contribute to the cause of International Peace.

IF THE LEAGUE WERE TO DISSOLVE.

Two further observations I will permit myself before concluding: the first is that if the League were to dissolve, a new Peace Treaty would have to be framed, and new machinery would have to be devised for carrying out the duties with which the League has been entrusted.

CRITICS OF THE LEAGUE.

The second observation is especially addressed to the British critics of the League. They must be well aware that for many generations the main anxiety of British Statesmen in their Continental policy has been to preserve the peace, and to prevent the domination of any particular Power over its weaker neighbours. Those two aims have not always been compatible, and the first has had more than once to be abandoned in order to obtain the second. They were not compatible, for example, in 1914, but if the League of Nations reaches its full strength and stature, if it be supported by the great moral forces of the world, peace and national independence will be secured without resort to arms. If in the future there should again arise a Power greedy of domination, it will find itself confronted, not merely by defensive Alliances between a few interested States, but by the organized Forces of the civilized world. If that hope is to be accomplished, it can be only by a League of Nations; and when I consider the services already rendered, or in course of being rendered, to the cause of International co-operation by the League, mutilated though it be by the absence from its membership of some who might have been among its most powerful supporters, I cannot doubt that few calamities would be greater than the abandonment of the great experiment to which we have set our hand. Should that calamity occur, it is not in the lifetime of this generation that a serious effort will again be made to substitute the rule of justice in International affairs for that of force; and the horrors of five years of war will have been endured in vain.

APPENDIX III.

REPORT OF THE IMPERIAL AIR COMMUNICATIONS COMMITTEE.

Members of the Committee :

CAPTAIN THE RT. HON. F. E. GUEST, C.B.E., D.S.O., M.P., Secretary of State for Air (Chairman).

LORD GORELL, C.B.E., M.C., Under Secretary of State for Air.

AIR MARSHAL SIR H. M. TRENCHARD, Bt., K.C.B., D.S.O., Chief of the Air Staff.

MAJOR-GENERAL SIR F. H. SYKES, G.B.E., K.C.B., C.M.G., Controller-General of Civil Aviation.

SIR G. L. BARSTOW, K.C.B., representing H.M. Treasury.

SIR JAMES STEVENSON, Bt., representing the Colonial Office.

J. H. LOVELL, Esq., representing the India Office.

SIR ROSS SMITH, K.B.E., representing Australia and New Zealand.

COLONEL THE HON. H. MENTZ, representing South Africa.

L. V. MEADOWCROFT, Esq., Secretary.

PREFATORY.

1. In accordance with the decision of the special Conference of Prime Ministers, we have met as a Committee with the following terms of reference:—
To report—

(i.) On the cost of erecting masts, providing bases and fuel supplies, upkeep of, commissioning, and operating the existing fleet of airships for the purpose of Imperial Air Communications with special reference to the routes between England, India, Africa, Australia, and New Zealand; and

(ii.) On services by means of aeroplanes.

2. The Committee have held four meetings at the Air Ministry, and have had under consideration the detailed estimates submitted by the Controller-General of Civil Aviation as well as estimates comprised in certain schemes promoted by private individuals.

3. The Committee feel it essential to state in the first place that although the existing fleet of four airships, when put in commission, will enable a scheme of Imperial Communications to be begun, it is insufficient to enable a complete scheme to be developed. Of the existing fleet, only L.71 is of dimensions which enable her to make flights to Egypt carrying a commercial load without the necessity for refuelling, and in consequence the performance of this airship alone can be regarded as suitable for regularity of service on long distance flights. The development of a complete scheme will necessarily entail in due course a constructional programme of airships specifically designed for the distances and the commercial needs of the service. Moreover, in having regard to the requirements of a regular service by means of the existing fleet, regard must be paid to the possibility of accident putting one or more of the airships out of commission for at least a number of weeks. The Committee feel that they would not be fulfilling their responsibility if in reporting upon their first term of reference they failed to draw the attention of the Imperial Conference to these material facts before entering upon the possibilities and cost of utilisation of the existing fleet.

4. The Committee think it desirable at the outset to explain the hypotheses upon which the estimates contained in this Report have been compiled. If it be decided that further efforts should be made to develop Imperial Air Communications, the alternatives are to proceed either (a) by Government action, or (b) by leaving the development of Air Communications to private enterprise (with or without a Government subsidy).

5. In the Estimates submitted in the first part of this Report the Committee have assumed the adoption—for the present at any rate—of a scheme of development by direct Government action. If this course be adopted, the Committee anticipate that the commercial character of the service will render inapplicable the usual rules of public finance as applied to voted services, and that it may be desirable to set up a statutory board (after the model of the Pacific Cable Board) with powers to conclude contracts, fix rates for passages, etc., without external control, save as to the total capital to be provided by the Home and Dominion Governments.

6. If the second course—namely, private enterprise—be adopted, it would naturally be for whatever company or syndicate undertakes the service to develop it according to the programme best suited to the company's interests. In the second part of this Report the Committee have analysed certain of the schemes submitted, so that their schemes of capital cost may be compared with that under the hypothesis of Government action.

The Committee take the opportunity of observing that in their view the best hope of the successful development of Imperial Air Communications lies in private enterprise conducting the service for profit, like the Mercantile Marine, on business lines.

PART I.—DEVELOPMENT BY GOVERNMENT ACTION.

7. The development of a complete scheme of air communication between England, India, Africa, Australia, and New Zealand, will necessarily be a matter of some considerable time, and in consequence the Committee considered it desirable, in framing estimates, to deal with the establishment of an airship service in stages.

8. *Six Months' Period.*—The Committee first of all addressed their attention to an examination of the arrangements that would be necessary, and the cost that would be incurred if a decision were taken to delay closing down of the present airship service for a period of six months in order to enable a permanent scheme to be formulated.

The cost of such decision was estimated to be as follows:

	£
Maintenance of Howden and provision of R.A.F. personnel	50,000
Maintenance of Cardington, research and completion of R.36 and R.37	75,000
Maintenance of Pulham, and allowance for 400 hours flying	63,000
	<hr/>
	£188,000

A further sum of £44,000 is estimated as necessary to put L.71 into commission for commercial purposes.

9. The Committee have come definitely to the conclusion that, in view of the above figures, and of the impossibility of obtaining in so short a period as six months, satisfactory data for arriving at a decision as to the future of the service, they are not justified in asking the Imperial Conference to consider any inaugural scheme based upon a period of less than one year. Emphasis was laid on the impossibility of arriving at accurate estimates for, and carrying out satisfactorily, any operational experiments with an airship service if its immediate future remained a matter of uncertainty; and it was also established that the greater part of, if not the whole of, the first six months would necessarily be taken up with work of a preparatory character.

10. After detailed consideration, the Committee have therefore decided to submit to the Imperial Conference two alternative estimates, the one covering a period of one year, the other two years, neither of these periods being regarded as complete in itself. Having regard to the first term of reference and the limited cargo-carrying capacity of airships, these estimates should be for the provision of a limited and possibly irregular service for passengers and mails only to the eastern boundaries of the Empire, utilising the existing fleet to its utmost capacity.

The Committee feel it desirable to draw attention to the fact that should the Imperial Conference decide in favour of the initial period of one year, a second decision as to the future would need to be taken many months in advance of the termination of that period in order to allow of arrangements being entered into, especially in respect of the erection of a shed in Egypt, so as to obviate delay and consequent additional expenditure, if at the end of one year operational experiments for carrying on the service beyond Egypt were to be undertaken.

11. *One year period of inauguration.*—Assuming the one year period of inauguration to begin on 1st September, 1921, it should be possible by March, 1922, to have made such progress in ground organization and experience as to be able to start a monthly service to Egypt. Towards the close of this period it should also be possible to undertake demonstration flights from Egypt in the direction of India and South Africa, without, however, landing, unless by then masts have been erected in those countries.

It is estimated that to carry out this programme the cost involved, which would cover the necessary research and training flights at home, would amount to:

Capital expenditure	...	...	...	...	...	£
Running expenditure	...	...	...	...	...	177,000
Allowance for contingencies and unforeseen expenditure	...	...	...	...	...	253,000
(say)	...	...	...	...	...	110,000
						<hr/> £540,000

A detailed statement in regard to the expenditure involved is attached to this Report (see Appendix A); were it decided not to commission L.71 it is estimated that a saving of some £80,000 could be effected. At the same time to attempt a regularity of service to Egypt and demonstration flights beyond with two airships, R.37 and R.36, one of which has not yet been completed and the other of which has not yet been fully tried out, is held to be unwise.

L.71, owing to her greater size, is the only one of the three whose capacity allows an adequate margin of safety for a return flight from Australia to Ceylon or South Africa under adverse conditions. R.37 and R.36 could carry a commercial load to Australia if the necessary number of additional intermediate mooring mast stations were erected; these would, however, necessarily greatly increase the capital cost. In the above operational programme the R.33, owing to its smaller range and carrying capacity, has been considered as a reserve for training at Home.

12. *Two-year Period of Inauguration.* In the event of the adoption of a two-year period a monthly service to Egypt would begin in March, 1922, as in the one-year period. This monthly service would be extended to India in September of that year, while demonstration flights towards South Africa would be carried out during the last two or three months of the period. For this programme it is essential that L.71 should be commissioned.

The cost involved—detailed in Appendix B—would be:—

Capital expenditure	...	...	...	...	...	£
Running expenditure	...	...	...	...	...	493,000
Allowance for contingencies and unforeseen expenditure	...	...	...	...	...	626,000
(say)	...	...	...	...	...	220,000
						<hr/> £1,339,000

This sum provides for the erection in Egypt of a complete base with shed, as distinct from a station with mooring mast only—proper housing accommodation in Egypt being held to be essential if a regular service to India is to be maintained.

It should be noted that whereas the estimated cost of the longer period of inauguration compared with that of the shorter is as $2\frac{1}{2}$ to 1, the useful work accomplished is as 5 to 1.

Allowance has been made for research work in the estimates, for both of the above periods, but the purchase of land for overseas bases has not been included. In this regard, it is held that the Dominions and countries over which the routes pass might be prepared at least to grant the necessary land free of cost in return for the privileges conferred. The Committee desires to draw the particular attention of the Governments concerned to the assistance which they can render not only in this regard, but also by assuming responsibility for the actual erection of mooring mast stations.

13. *Further Development.*—As stated in paragraph 3, further development has been regarded as dependent on the construction of new airships specifically designed to meet the requirements of the service. In order to enable the Imperial Conference to arrive at a decision in respect of a complete scheme of Imperial communications by airship, the Committee have felt it necessary to consider estimates for the period ensuing on the inauguration of the service, which will include an adequate constructional programme. In paragraph 10 it has been stated that neither the one year period nor the two year period can properly be regarded as complete in themselves; to reap the fullest advantage it is essential that each should be held to be but the stepping-stone to further development. Such development should convert the experimental flights towards South Africa, which will have been

undertaken in the inaugural period, into a permanent regular service, and should make possible the alternative route via South Africa to Australia. Both, however, are dependent upon two things. First, upon the provision of new ships. It is estimated that 10 to 12 ships of the 4,000,000 cubic feet type would suffice to maintain a fortnightly service from England to Egypt, India, South Africa, and Australia. The first of such airships would probably cost in the neighbourhood of £300,000. Secondly, both developments would depend upon the provision of masts and bases. Before the route to South Africa could be adequately extended to Australia, it would be necessary to provide for the equipment of a permanent base in South Africa; and before the route to Australia could be considered consolidated, it would be necessary to provide the equipment of a permanent base in Australia. It is estimated that the additional cost of such bases, over and above the mooring mast stations, would be in the neighbourhood of £400,000 each. In addition, it must not be overlooked that the construction of additional airships would entail the provision of additional shed accommodation at the English base, the cost of which may be estimated to involve an expenditure in the neighbourhood of £500,000.

In view of the above considerations, the Committee have considered estimates for the development of the service over a further period of three years.

The estimated expenditure involved would be:—

	£
Capital expenditure	4,545,000
Maintenance of ground organization	901,000
Allowance for contingencies and unforeseen expenditure (say)	1,500,000

to which must be added the cost of upkeep and operation of the airships themselves. This latter item would increase from £160,000 per annum at the end of the preliminary two-year period, to £1,094,000 per annum, omitting special allowance for contingencies, by the beginning of the six-year period, when regular fortnightly services were being operated to India, South Africa, and Australia. The capital expenditure includes the provision of twelve new airships.

The Committee have felt it necessary to state that these figures are given with the greatest reserve. Details will be found in Appendix C.

As regards the inaugural period, the extension of the route to South Africa, and the opening of the alternative routes to Australia, must entail the provision of mooring mast stations, in addition, as already pointed out, to the ultimate provision of bases equipped with sheds. The cost of the necessary mooring mast stations on the route Egypt—South Africa—Australia and back to Egypt via Ceylon, is estimated at £275,000. (See Appendix D.) This organization would only be sufficient to meet the requirements of demonstrational flights. Two such flights to Australia, via South Africa, would cost in the neighbourhood of £33,000, and, whilst the Committee have given every consideration to the great educational value of such flights as a means of establishing the ultimate possibilities of the service, it is for consideration whether the results achieved would be commensurate with the expense involved or such as would be ensured by a regular programme of development.

14. *Revenue.*—With the data available, and taking into consideration the natural conservatism of the general public towards the adoption of new methods of transport, the Committee consider that it is impracticable to frame any trustworthy estimates of the revenue to be earned by the existing fleet, and the minimum organization for which estimates have been given in the foregoing paragraphs. With the exception of L.71, the existing fleet consists of ships which are not economical for commercial purposes, and it is obvious that the revenue ultimately to be derived from the complete service must be governed by the suitability of the ships in use. If, however, with the existing fleet, Marseilles were to be used as a re-fuelling base, so as to obviate the necessity for carrying fuel supplies for the full journey to Egypt, R.36 and R.37 would be able to carry, as a maximum load, 30 passengers and a cargo of two tons weight; and in the latter part of the inaugural period, at any rate, a definite revenue from such carriage may be expected. The same consideration as to re-fuelling facilities governs the estimate of revenue to be derived from flights from Egypt to India. It would be necessary, in order to obviate a large reduction in revenue, at least as regards the R.36 and R.37, to provide for re-fuelling facilities at an intermediate point. In order that the fullest information may be available for the Imperial Conference upon this point, the carrying capacity of individual airships is set out below.

CARRYING CAPACITY OF INDIVIDUAL AIRSHIPS.

<i>Ship.</i>	<i>Route.</i>	<i>Maximum Load.</i>
R.36 and R.37 (2,100,000c.ft.)	England to Marseilles and Marseilles to Egypt.	30 passengers and 2 tons mails or freight.
R.36 and R.37	England to Egypt	No useful load.
L.71 (2,400,000 c.ft.)	England to Marseilles and Marseilles to Egypt.	40 passengers and 7 tons mails or freight.
L.71	England to Egypt and Egypt to Karachi.	35 passengers and 2 tons mails or freight.
New Airship (4,000,000 c.ft.)	England to Egypt and Egypt to Karachi.	50 passengers and 13 tons mails or freight.

15. *Aeroplane Services.*—With regard to their second term of reference, namely, services by means of aeroplanes, the Committee consider that it is impracticable at present to present estimates of value. The policy on which the Air Staff are working is to try and establish an Air Line of communications as far as possible touching British points throughout the world, on the principle of linking up with direct air communication the centre of each group of air stations with the next group. The Committee are of opinion accordingly that due consideration should be given in the selection of Imperial air routes to the service aspects, including defence, and to the assistance which the service could afford to civil transport services. They welcome the proposal to open up sections of the Cairo to Karachi route as necessary, and consider that civil aviation should be invited to operate these as soon as possible, and that the Government of India should be informed of the present position of the route as a whole. The Committee feel it necessary to state that beyond the general statements given above, it has not been possible in the time available to consider and report upon the possible future developments of heavier-than-air transport.

16. In concluding the first part of their Report, the Committee feel it necessary to draw attention to the fact that the date at present resolved upon for the closing down of the Airship Service is August 1st. In submitting the above alternative estimates for its continuance, the Committee are presenting figures which must, in the absence of an immediate decision to continue for at least the period of one year in accordance with the first estimate above set out, be regarded as affording no data for the cost which would be involved if it were subsequently decided to re-establish Imperial communications by airship.

PART II.—DEVELOPMENT BY PRIVATE ENTERPRISE.

17. In respect of development of Imperial communications by airship by private enterprise, the Committee have to report that in response to the Government offer communicated to the Press on 31st May, proposals for carrying on an airship service on a commercial basis have been received from Mr. A. H. Ashbolt, Mr. M. M. Greenhill and Lieut.-Commander Ballantyne, to which definite replies must be given by 1st August.

An analysis of each of the three proposals is set out below :—

Mr. A. H. Ashbolt's proposal.

18. (1) *Capital.*—£1,500,000.

First Issue.—£750,000 divided as follows :—

£375,000 from Dominion Governments.

£375,000 from general public.

Second Issue.—£750,000 divided as follows :—

£375,000 from Dominion Governments.

£375,000 from general public, the British Government to have the option of taking up the whole or part of the sum.

Mr. Ashbolt states he has been definitely promised underwriting for the subscriptions from the general public on the basis of his terms submitted, or any reasonable modification thereto.

(2) *British and Dominion Governments' Assistance or Liability.*

(a) *Share Subscription* (see 1 above).

Dominions to subscribe £375,000 towards first issue and £375,000 towards second issue.

British Government—Nil, but option on second public issue of £375,000.

- (b) *Completion of Existing Airships*.—British Government and Company to share this expense—say, £73,000. British Government liability of £36,500.
- (c) *Subsidy*.—£500,000 per annum for 10 years. British Government £250,000 per annum for 10 years. Dominions £250,000 per annum for 10 years.
- (d) *Mail Subsidy*.—All first-class mail matter to be transferred to the Company, and the difference between the rate charged by steamers and railway, and the rate (to be agreed) payable to the Company for similar services to be paid by respective Governments on their outgoing mail.
- (3) *Programme*.—To attempt experimental services with existing airships to India, Australia, and South Africa, and to establish the necessary ground organization for such services. The initial services to be considered as entirely experimental. New ships to be built after experience has been obtained on the experimental services.
- The first issue of capital is for the purpose of providing ground facilities for the above routes, and the second issue for the purpose of providing new airships.
- (4) *Estimates*.
Capital Expenditure.
Egypt Base.—£150,000.
Melbourne Base.—£100,000.
Mooring Mast Base.—A sum of £32,000 is allowed.
- (5) *Conclusion*.—It will be noted that the Governments concerned are invited to take part both in subscribing for share capital and in the granting of a subsidy for 10 years.
19. *Mr. Greenhill's Proposal*.
 (1) *Capital*.—£4,000,000.
 £1,200,000 first year
 £1,100,000 second year
 £1,000,000 third year
 £700,000 fourth year

 £4,000,000

All subscribed by public or privately—no subscription asked for from British or Dominion Governments.

- (2) *British and Dominion Governments' Assistance or Liability*.
 (a) Completion of existing airships to be undertaken by British Government, say, £73,000.
 (b) Subsidy of £300,000 per annum until Company is on a paying basis.
 (c) Subsidy of £75,000 from each of the Dominions, India and South Africa, dependent on a service being maintained to those countries.
 (d) *Mail Contracts*.—Guarantee of mail contracts from British Government, India, and South Africa.
- (3) *Programme*.—Generally, the scheme provides for the gradual development of ground facilities necessary for services to Egypt, India, South Africa, and Australia, over a period of four years concurrently for the construction of ten airships to run these routes. The existing fleet is relied on for two years for demonstration services to Egypt.
- (4) *Estimates*.
General.—£250,000 is allowed for unforeseen contingencies under capital expenditure.
 £50,000 is allowed for research on the revenue account.
Insurance and Depreciation is taken at 20 per cent. for first cost, assuming a seven-year life is taken for new airships; this would leave about 6-7 per cent. for insurance.
- (5) *Conclusion*.—It will be noted that no share subscription is asked for from the Governments concerned, but that the above proposal entails payment of a subsidy both during the development period and for work done, this latter being dependent upon the carrying out of an Imperial service.

Lieut.-Commander W. B. Ballantyne's Proposal.

20. (1) *Capital*.—£2,000,000. First issue £1,250,000.
 (2) *Government Assistance*.—
 (a) *Guarantee of Interest* at 6 per cent. per annum until such time as the Company are in a position to pay this rate of dividend, when a debenture issue would be made and the amount owing to the Government paid off.
 (b) *Subsidy*.—*Mail Subsidies* from Great Britain, Italy, Egypt, and South Africa, amount not stated.
 (c) *Subsidy from Admiralty and War Office*, amount not stated.
 (3) *Programme*.—Service to Rome, Egypt and Johannesburg with existing airships and later with new airships.
 (4) *Estimates*.—The capital of £2,000,000, together with the balance from debenture issue, after repayment to the Government of funds advanced for payment of interest on capital, is for provision of ground facilities on South African route, operation of existing airships, construction of new airships for this route.
 (5) *Conclusion*.—It will be noted that this scheme also involves not only a guarantee of interest, but also subsidies from the Governments concerned.

21. *General Conclusion*.—Thus it will be seen that, whether an Imperial Airship Service be undertaken by direct Government action or by private enterprise, it is essential that the Imperial Conference should arrive at a decision by 1st August, as Parliament has been informed that the airship services will be closed down on that date.

FREDERICK GUEST (*Chairman*).

GORELL.

H. TRENCHARD.

F. H. SYKES.

G. L. BARSTOW.

J. STEVENSON.

J. H. LOVELL.

ROSS SMITH.

H. MENTZ.

L. V. Meadowcroft (*Secretary*).

26th July, 1921.

APPENDIX A.

ONE-YEAR PERIOD.

Cost of Erection of Masts, Provision of Bases, and Commissioning Existing Airships.

	Cost.	Date of Completion.
<i>A.—Provision of Cardington Base.</i>		
	£	
(1) Move Croydon mast	10,000	1st December, 1921.
(2) Hydrogen main	2,000	1st December, 1921.
(3) Lengthen shed to take L.71 ..	15,000	1st May, 1922.
<i>B.—Commissioning Existing Airships.</i>		
R.36	6,000	1st November, 1921.
R.37	25,000	1st January, 1922.
L.71	44,000	1st May, 1922.
New gasbags for R.36	25,000	1st May, 1922.
<i>C.—Provision of Mooring Mast at Marseilles by French.</i>		
	—	1st February, 1922.
<i>D.—Provision of Cairo Mooring Mast Station.</i>		
	50,000	1st March, 1922.*

Total capital expenditure, £177,000.

* Includes large silicool plant in lieu of small plant and gasometer.

ONE-YEAR PERIOD.

MAINTENANCE AND OPERATION EXPENSES.

A.—Maintenance of Bases.

Cardington for 12 months	£120,000	
Pulham	15,000	
Egypt Mooring Mast Station for 7 months ..	7,000	
Total	£142,000	£142,000

B.—Upkeep and Operation of Airships and Provision of Fuel.

Crews (3)	£36,000	
Petrol and Oil	£15,000	
Hydrogen	18,000	
Maintenance	42,000	
Total	£111,000	£111,000

Total Running Expenditure £253,000

Capital Expenditure	£177,000	Contingencies. Total	
Running Expenditure	253,000	£50,000	£227,000
		60,000	313,000
Total	£430,000	£110,000	£540,000

APPENDIX B.

*Cost of Erection of Masts, Provision of Bases, and Commissioning Existing Airships**A.—Provision of Cardington Base.*

	Cost.	Date of Completion.
(1) Move Croydon Mast	£10,000	1st December, 1921.
(2) Hydrogen main	2,000	1st December, 1921.
(3) Erect new mast (wood) ..	15,000	1st February, 1922.
(4) Lengthen shed to take L.71 .	15,000	1st May, 1922.

B.—Commissioning of Airships.

(1) R.36	£6,000	1st November, 1921.
(2) R.37	25,000	1st January, 1922.
(3) L.71	44,000	1st May, 1922.
(4) New gasbags for R.36	25,000	1st May, 1922
(5) New gasbags for R.37	25,000	1st November, 1922.

C.—Provision of Marseilles Mast by French.

— 1st February, 1922.

D.—Provision of Cairo Base.

(1) Erection of Killeagh Shed ..	£150,000	1st September, 1922.
(2) Mooring mast (wood) . . .	15,000	1st May, 1922.
(3) Hydrogen plant	10,000*	1st May, 1922.
(4) Hydrogen plant	6,000†	1st May, 1922.
(5) Gasometer	20,000	1st September, 1922.
(6) Gas main	4,000	1st May, 1922.
(7) Buildings	10,000	1st September, 1922.
(8) Equipment	4,000	1st May, 1922.
(9) Petrol storage	4,000	1st May, 1922.
(10) Roads, etc.	20,000	1st September, 1922.
(11) Transport	15,000	1st September, 1922.
(12) Unforeseen	8,000	

India.

Mooring mast station	£60,000‡	1st September, 1922.
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Total Capital Expenditure . £493,000

* Large silicel plant for use without gasometer. † Small gas plant for use with gasometer.

‡ Includes small gas plant and gasometer.

Two-Year Period—Maintenance and Operation Expenses.

(a) Maintenance of Bases.	1st Year.	2nd Year.	Total.
Cardington base	£120,000	£120,000	£240,000
Pulham	15,000	15,000	30,000
Egypt Mooring Mast Station ..	7,000		7,000
Egypt Base, including Mooring Mast		65,000	65,000
India Mooring Mast Station ..	1,000	12,000	13,000
	£143,000	£212,000	£355,000

((b) Upkeep and Operation of Airships and Provision of Fuel.

Crews (3)	£36,000	£36,000	£72,000
Fuel	15,000	33,000	48,000
Hydrogen	18,000	36,000	54,000
Maintenance	42,000	55,000	97,000
	£111,000	£160,000	£271,000

Total Running Expenditure, £626,000.

		Contingencies.	Total.
Capital Expenditure	£493,000	£100,000	£593,000
Running Expenditure	626,000	120,000	746,000
	£1,119,000	£220,000	£1,339,000

APPENDIX C.

Additional Expenditure in Third, Fourth, and Fifth Years of Five-Years' Period.

The following figures are based upon the assumption that before the middle of the two-year period, a programme of development has been drawn up with a view to beginning a fortnightly service to Australia via India or South Africa by the end of the fifth year, in addition to fortnightly services to India and South Africa.

The estimate of cost and dates of commencement and completion of items of capital expenditure is as follows:

Item.	Cost.	Date of commencement.	Date of completion.
<i>A. Cardington Base—Additional Sheds.</i>			
	£		
(1) New double shed	250,000	1/9/1922	1/9/1923
(2) New double shed	250,000	1/9/1923	1/9/1924
<i>B. South African Route.</i>			
(1) Mombasa Mooring Mast Station	55,000	1/1/1923	1/12/1923
(2) South Africa Mooring Mast Station	55,000	1/1/1923	1/12/1923
(3) South African Base	400,000	1/12/1922	1/6/1924
<i>C. Australian Route (the expenditure as regards India has already been provided for in the first two years).</i>			
(1) Perth Mooring Mast Station	55,000	1/6/1923	1/6/1924
(2) Ceylon " " "	55,000	1/6/1923	1/6/1924
(3) Melbourne " " "	55,000	1/6/1924	1/6/1925
(4) Melbourne Base	400,000	1/3/1924	1/9/1925

D. Construction of New Airships.

(1) No. 1	...	...	300,000	1/9/1922	1/9/1923
(2) No. 2	...	...	250,000	1/1/1923	1/1/1925
(3) No. 3	...	...	250,000	1/5/1923	1/5/1925
(4) No. 4	...	...	250,000	1/9/1923	1/9/1925
(5) No. 5	...	...	240,000	1/3/1924	1/12/1925
(6) No. 6	...	...	240,000	1/6/1924	1/3/1926
(7) No. 7	...	...	240,000	1/10/1924	1/6/1926
(8) No. 8	...	...	240,000	1/1/1925	1/9/1926
(9) No. 9	...	...	240,000	1/5/1925	1/12/1926
(10) No. 10	} for replacements	...	240,000	1/8/1925	1/3/1926
(11) No. 11		...	240,000	1/11/1925	1/6/1926
(12) No. 12		...	240,000	1/3/1926	1/9/1926

Total capital expenditure £4,545,000

THIRD, FOURTH, AND FIFTH YEARS.

*Maintenance and Operation Expenses.**(a) Maintenance of Bases.*

	Years.		
	Third.	Fourth.	Fifth.
	£	£	£
Cardington	120,000	120,000	120,000
Egypt Base	65,000	65,000	65,000
India Mooring Mast Station ...	12,000	12,000	12,000
Mombasa Mooring Mast Station ...	9,000	12,000	12,000
South Africa Mooring Mast Station	9,000	—	—
South Africa Base	16,000	65,000	65,000
Ceylon Mooring Mast Station ...	3,000	12,000	12,000
Perth Mooring Mast Station ...	3,000	12,000	12,000
Melbourne Mooring Mast Station...	—	3,000	—
Melbourne Base	—	—	65,000
Totals ...	£237,000	£301,000	£363,000

Total for the three years £901,000.

(b) Upkeep and Operation of Airships and Provision of Fuel.

No estimate has been prepared for these individual years. At the end of the fifth year, however, when fortnightly services were in being to India, South Africa and Australia, the expenditure under this head would be at the rate of:—

	£
Crews (10)	120,000
Petrol and oil	437,000
Hydrogen	437,000
Maintenance	100,000

Total £1,094,000 per an.

In the above figures petrol has been taken at 3s. per gallon and hydrogen at 20s. per 1,000 cubic feet.

	£	Contingencies.	Total.
	£	£	£
Capital expenditure ...	4,545,000	812,000	5,357,000
Running expenditure ...	901,000	688,000	1,589,000
	+ flying costs.		+ flying costs.

(c) Carrying Capacity of Services.—Assuming the full load of the new airships on the longest flight between refuelling stations to be 50 passengers and 13 tons of mails and freight, the maximum traffic that could be carried on each of the three routes by a fortnightly service would be:—England—India 1,300 passengers and 338 tons of freight in each direction, or, a total of 2,600 passengers and 676 tons of freight per annum on the route and similar figures for the other two routes.

APPENDIX D.

Additional Expenditure involved in carrying out Demonstration Flights to South Africa and Australia in Two-Year Period.

*Capital Expenditure.—Provision of Mooring Mast Stations.**

South Africa—Mombasa	..	£55,000		
South Africa	..	55,000		
		£110,000	£110,000	
Australia : Perth	..	£55,000		
Melbourne	..	55,000		
Ceylon (for return journey)		£55,000		
		£165,000	£165,000	
			£275,000	£275,000

Running Expenditure.

Personnel and maintenance of five Mooring Mast Stations, at £1,000 per month per Station for three months	..	£15,000		
Two Flights Egypt to Australia and return at £9,000	..	£18,000		
		£33,000	£33,000	
Total	..		£308,000	

** Details of Mooring Mast Station.*

Mast	...	£15,000
Gasometer	...	20,000
Gas Main	...	2,000
Gas plant	...	6,000
Buildings	...	1,000
Equipment	...	2,000
Roads	...	1,000
Transport	...	3,000
Add for contingencies	...	5,000
		£55,000

APPENDIX IV.

THE INTERCOMMUNICATION AND DISSEMINATION OF NEWS
WITHIN THE BRITISH EMPIRE.

(a)

MEMORANDUM PREPARED ON BEHALF OF THE EMPIRE PRESS UNION AND THE
NEWSPAPER PROPRIETORS' ASSOCIATION.

PRACTICABLE means to secure fuller and wider dissemination of inter-Imperial news at present appear to fall under the four following heads:—

1. *General Lowering of Inter-Imperial Press Cable Rates.*

It is believed that the volume of news passing between the Dominions and the United Kingdom, and between the Dominions themselves, is primarily dependent upon the cost of transmission. So long as the cost of transmission remains, as it is at present, a serious consideration to newspaper proprietors, the publication of information from overseas—especially important political information—will remain spasmodic, and fail to secure the interest of readers, upon which depends in great measure the service and influence of the Press. Intermittent publication of information about the Dominions overseas cannot maintain the continued interest of newspaper readers; cannot provide even a very general picture of the Empire overseas; and cannot, in the minds of the general public, make clear the community of Imperial interests and the mutual co-operation which exists and needs extension. Until cable rates for Press matter are made very low, only events of outstanding importance will be reported, and the intervals of silence will prevent the establishment of any clear and connected impression of thought, action, and events in general overseas. It is believed that when cable rates become nominal the general public will be able to secure familiarity with Dominions affairs, and that a larger volume of news will be called for.

2. *Reliable and Rapid Transmission.*

Second only in importance to cheapness of cable rates for news is reliability and rapidity of transmission. Although in general delays have been less serious during the last year, they do still occur. In the case of Press communication between the United Kingdom and India very serious delay in transmission remains the almost invariable rule. All cable routes are liable to breakdown—they do break down—and in most cases there is nothing to supplement them. News delayed by three or four days—a usual occurrence in the case of Indian cables—arouses little interest and is often misleading.

3. *Provision without Delay of an Adequate Empire Wireless Service.*

The necessity for an adequate Empire wireless service has already been discussed by the Imperial Conference. From the point of view of the Press such a service is regarded as an imperative necessity to relieve congested cables, and to provide a cheaper channel for news.

4. *Restoration of Deferred Press Rates.*

It is understood that the deferred Press rates, which were discontinued during and since the War, are to be reinstituted. The institution of a deferred Press rate to South Africa also is urgently called for. The cheap deferred services were much used for descriptive matter, editorial comments, etc., for which the most rapid transmission was not absolutely essential. Such messages are supplementary to those sent at the ordinary rates—the rapid despatch may excite interest and the deferred descriptive matter serves to satisfy and to some extent to sustain the interest.

The deferred rates, when restored, must, of course, in order to be effective, be a real and not a merely nominal service. They will be useless unless maintained upon the same conditions as before the War, and involving no greater delay.

At present that part of the public which may be supposed already to have special interest in the Dominions overseas is restricted in the main to (a) those contemplating settlement overseas, (b) those having commercial interests overseas (an important section), and (c) those with relatives and other personal connexions in the Dominions.

The present cable rates not only prevent adequate service of these classes by the Press, but prevent increase of their number. Cheaper Press communication—and it should be much cheaper—will rapidly add to these classes.

The Second Imperial Press Conference, which met in Canada last year, fully considered this question. The Conference, which included the proprietors and editors of leading newspapers published in all parts of the Empire, stated as its considered and unanimous opinion "that the full utility of cable and wireless communications, as a factor in educating public opinion, and in maintaining a good understanding between all peoples of the Empire, will not be attained until rates are reduced to a basic charge of one penny per word for Press messages throughout the whole British Empire."

The Conference unanimously resolved also that any assistance given to the Press for the encouragement of a wider dissemination of news should be given in the form of cheaper Press rates, and not in the form of a subsidized news service. The Empire Press Union,

71, Fleet Street, E.C.4.

11th June, 1921.

(b) SUPPLEMENTARY MEMORANDUM.

Inland Press Telegraph Rates should be available to Dominions Correspondents in Great Britain.

Complaint has been made of the fact that Post Office regulations debar representatives of Dominions newspapers in this country from using the telegraph at Press rates when telegraphing news to the London office of their journals, whence it is to be cabled overseas. This disability has for some years been felt to be a grievance, and one obstacle to Imperial communications which could easily be removed. From the point of view of Post Office revenue—the only point of view from which the matter has hitherto been officially considered—the result of such a concession would seem to be quite insignificant. It might possibly lead to a small increase of revenue by encouraging use of the telegraph.

Instances of Cable Delays.

The Times of Ceylon (Colombo), on 29th June, telegraphed to the London office of the newspaper as follows:—"News telegrams five days late. Wire 'Urgent' any very interesting items."

The London editor of *Argus South African Newspapers, Ltd.*—representing a large group of the leading newspapers of South Africa—states that in June ordinary Press messages took over six days in transit to South Africa. He says "This great delay, at a time when there was so much news of vital importance to all the Dominions, involved the use of many full rate messages at half-a-crown a word, and sometimes even at the 'triple rate' of 6s. per word. The latter rate was at one time unheard of for Press work except for brief reports of exceptionally important events. It now has to be used regularly for ordinary information."

Imperial Wireless System.

Yesterday (12th July) the Council of the Empire Press Union unanimously adopted the following resolution:—

"That this Council is deeply convinced of the necessity of combining Government support with private enterprise and competitive business administration in any world-wide British wireless system; and urges all Governments within the Empire to co-operate on concerted lines without further loss of time to secure important business and political advantages that will otherwise be obtained by other enterprises."

"That copies of this Resolution be sent to the Dominions Prime Ministers and the Indian representatives at present in London; and to the overseas sections of the Empire Press Union for further urgent action in their respective countries."

Deferred Press Rates.

The recent announcement that deferred Press rates to Canada and Australia are to be restored is highly appreciated. It is feared, however, that in the present congested condition of the cables the delay in the case of deferred messages may make their use impossible. It has been urgently represented by the newspapers concerned that a deferred Press rate should be made available to and from South Africa and India, if the traffic conditions, and the method of handling such messages, do not involve excessive delay.

The Empire Press Union,
71, Fleet Street, E.C.4.

11th June, 1921.

APPENDIX V.

CONFERENCE ON STATE-AIDED EMPIRE SETTLEMENT.

JANUARY-FEBRUARY, 1921.

Record of Proceedings.

A CONFERENCE ON State-Aided Empire Settlement was held at the Colonial Office on the 28th and 31st January, and on the 1st, 2nd, and 4th February, 1921, between representatives of His Majesty's Government and representatives of the Governments of Canada, the Commonwealth of Australia, and New Zealand.

His Majesty's Government were represented at the opening meeting by Viscount Milner, President of the Oversea Settlement Committee, and in his absence the chair was taken at subsequent meetings by Lieut.-Colonel L. S. Amery, M.P., Chairman of the Oversea Settlement Committee. Representatives of the Treasury, Ministry of Labour, and Oversea Settlement Committee also attended.

The following represented the three Dominions concerned:—

Canada: The Hon. Sir George Perley, K.C.M.G., Lieut.-Colonel J. Obed Smith.

Australia: Senator The Hon. E. D. Millen, Mr. Percy Hunter.

New Zealand: The Hon. Sir James Allen, K.C.B., Mr. H. C. Cameron, Mr. V. Mills.

In opening the proceedings Viscount Milner stated that the Conference had been summoned in order to advise upon an enduring policy of oversea settlement which should tend to bring about the best distribution of the man power of the Empire and so to develop and strengthen the whole Empire. He pointed out that oversea settlement should not be regarded as a means of dealing directly with abnormal unemployment in the United Kingdom, at any given moment, but as a means of remedying fluctuations of trade by developing our best markets and of permanently minimizing the risk of unemployment here and throughout the Empire. He emphasized the view of His Majesty's Government that no stone should be left unturned to secure for the Dominions the population which they require and to ensure that the outflow of population from the United Kingdom should have opportunities for settlement under the flag, in countries British in spirit and British in their institutions.

The Agenda submitted to the Conference for discussion was as follows:—

Part I. To consider the general question of Empire development, including schemes for land settlement on a comprehensive scale.

Part II. To discuss the following particular proposals:—

- (a) Advance of cost of ocean passages and railway fares to approved settlers.
- (b) Advance of cost of outfit where required.
- (c) Free passages for State-aided children.
- (d) Preference to British settlers over foreign immigrants, *e.g.*, in respect of landing money, etc.
- (e) Arrangements for recruiting settlers in this country and for their reception, settlement, employment, and welfare overseas.
- (f) Appointment of representatives of His Majesty's Government overseas to co-operate with the Oversea Governments in the reception, settlement, and welfare of newly arrived British subjects.

It was clear from the outset that in all the Dominions represented the openings available for workers of other classes depended upon the increase in the number of primary producers. It was, consequently, agreed that the problem covered by Part I. of the Agenda, *i.e.*, the problem of establishing settlers from this country as primary producers upon the land overseas, must be the basis of any policy of State aided Empire Settlement, and that the facilities for inter-Imperial migration generally, proposed in Part II. of the Agenda, would only be of limited value unless granted as part of a policy based on land settlement.

In this connexion Senator Millen pointed out that there are considerable areas in Australia suitable for settlement, but at present entirely undeveloped, which could be developed by comprehensive settlement schemes at considerably less cost than would be involved in the purchase of land in districts already opened up. Such schemes would have the further advantage that the work of opening up an

area by railways and roads, the construction of other public works, and the clearing of the land, etc., would find employment for many of the intending settlers as well as an opportunity for getting acclimatized to Australian conditions. Opportunities for settlement on a very large scale would also be afforded by the irrigation works in progress on the River Murray. As an indication of what Australia might be willing to do, if she could secure the co-operation of His Majesty's Government, he put forward for consideration a scheme for establishing 20,000 British settlers on certain selected areas, to be financed by a Commonwealth loan of £20,000,000 to be raised in five annual instalments. On the analogy of the assistance given by the Commonwealth to the Australian States in connexion with the Australian soldier settlement schemes, he suggested that the assistance of His Majesty's Government might take the form of a payment for five years of half the interest of each instalment of the loan.

Sir G. Perley and Sir J. Allen intimated on behalf of their respective Governments that they would welcome a policy of co-operation which would enable them to receive and establish on the land a larger number of British settlers than they could otherwise deal with. They had not received definite instructions from their Governments, and were not therefore in a position to submit definite proposals. They would, however, communicate with their Governments, who would no doubt formulate proposals before the meeting of the Prime Ministers in June. It was pointed out that conditions varied in every Dominion, and that what was desirable was agreement not on a uniform type of scheme, but upon the general principle of co-operation between the Governments concerned.

On behalf of His Majesty's Government, it was pointed out that the most convenient form of financial co-operation, and the one most easily adaptable to various kinds of schemes, would be in the shape of loans to individual settlers made through and collected by the Dominion Government or settlement agency concerned, thus diminishing the amount required to be found by the latter in respect of each settler. This was preferable to a direct contribution towards a Dominion development scheme such as was implied in Senator Millen's suggestion of payment of part interest of a Commonwealth loan, and would achieve the same end.

In the discussion on Part II. there was general agreement as to the satisfactory working of the system of co-operation between the Oversea Settlement Committee and the Dominion and State representatives in connexion with the grant by His Majesty's Government of free passages to British ex-service men, and as to the desirability of any future joint scheme of assisted passages being conducted on similar lines. The need for assisted passages was more particularly emphasized by the representatives of Australia and New Zealand, Sir G. Perley explaining that Canada had never, in the past, contributed towards passages, and might possibly prefer some other form of joint co-operation in helping new settlers to sharing in a scheme for granting or advancing passages.

The special attention of the Conference was drawn to the successful results attending the Australian and New Zealand system of nominations for assisted passages of relatives or friends in the United Kingdom by settlers already established in those Dominions, as well as to the very satisfactory working of the Canadian system of settling and supervising State-aided and other suitable children from the United Kingdom.

It was generally felt that in present circumstances at any rate there was not sufficient justification for the appointment of permanent representatives of His Majesty's Government in the Dominions in connexion with the settlement of newly arrived British subjects, and that the need for close personal touch with the actual work of settlement overseas could be sufficiently secured by periodic visits of representatives of the Oversea Settlement Committee.

As the outcome of the discussions of the various matters covered by both parts of the Agenda the following proposals were submitted to the Conference by Lt.-Col. Amery as a basis for discussion at the forthcoming meeting of Prime Ministers.

1. His Majesty's Government to co-operate with the Oversea Governments in a comprehensive policy of Empire Land Settlement and Empire directed migration, extending over a period of years, and to this end to contribute up to a maximum of £2,000,000 a year in any year in respect of schemes of land settlement, assisted passages and such other kindred schemes as may commend themselves to the Governments concerned.

2. The assistance to land settlement to take the form of advances to settlers up to a maximum of £300 a settler, the advances to be made through the Oversea Governments concerned or through specially approved private organizations, and repayments collected by them. These advances to reckon *pari passu* with the advances made by the Oversea Government or private organization in respect of conditions, security, terms of repayment, etc. The repayments to be devoted to further advances to new settlers. In so far as expenditure not recoverable in the form of advances may be involved in training or allowances during training, His Majesty's Government to share this with the Oversea Government or private organization concerned, the amount so spent being deducted from the amount available for loan purposes.

3. His Majesty's Government to assign normally about half its total contribution, viz. : about £1,000,000, to land settlement. In view, however, of its commitments in respect of the free passage scheme for ex-service men and women and other kindred expenditure arising out of the special conditions of the post-war situation, the amount available for land settlement for the financial years 1921-2 and 1922-3 will probably not exceed £750,000. In allocating this money as between different schemes it will be guided primarily by the merits of the schemes both from the point of view of their economy, i.e., the number of settlers they can deal with for a given British contribution, and still more from that of the arrangements for training, future prospects of the settler, social amenity (group settlements), etc., and other things being equal, by the desire to afford all the Dominions an equal opportunity for developing their resources and strengthening their man-power.

4. His Majesty's Government to assign the balance of its contribution to assisted passages, including, if necessary, outfit and landing money allowances. As regards passages, the following was suggested as a basis for discussion :—One-third of the passage money to be given as a free grant, and one-third as an advance, the latter to be increased up to two-thirds in special cases where the Governments concerned are agreed as to the desirability of the assistance being given and as to the prospects of repayment. The cost of the assistance so given to be divided equally between His Majesty's Government and that of the Dominion concerned, the latter undertaking to collect the advances on behalf of His Majesty's Government. The repayment to be devoted to additional assistance to passages. Contributions to schemes of child emigration or settlement to be wholly in the form of grants and not of loans.

5. If any Dominion would prefer, in lieu of a joint contribution to assist passages, some alternative scheme for the assistance of settlers generally or for land settlement, His Majesty's Government to consider the allocation to such scheme of the amount it would otherwise have contributed to assisted passages in respect of settlers proceeding to that Dominion.

6. In view of the commitments of His Majesty's Government to its ex-service men up to the end of 1922, and of the arrangements already made by other Governments for their own schemes of assisted passages, it is not contemplated that the general scheme for assisted passages referred to above should come into operation before the middle of 1922 or the beginning of 1923.

7. All settlers receiving assistance under any of the above schemes to be subject to selection and approval by His Majesty's Government and by the Government of the Dominion concerned. Preference to be given, as far as may be possible, to ex-service men.

8. As a part of this general scheme of co-operation, the Dominion Governments to make special arrangements for the reception, distribution, and initial supervision of British settlers who should, as far as conditions permit, be given preferential treatment over foreign immigrants. His Majesty's Government on its side to undertake to make the necessary corresponding arrangements for furnishing information and advice and for carrying out any policy with regard to Oversea Settlement and emigration that may be agreed upon.

These proposals were approved of by the Conference, the representatives of the Self-governing Dominions expressing the view that they contained a generous offer on the part of His Majesty's Government and represented a sound and practicable scheme. It was clearly understood that the offer was conditional upon the full financial co-operation of the Dominions concerned as regards both land settlement and assistance in respect of passages.

The Conference passed the following resolutions:—

1. "That this Conference recommends the proposals appended to the Minutes of its meeting of the 4th February (*i.e.*, the proposals given above) to the most careful consideration of the Governments of the Empire for discussion and final decision at the forthcoming meeting of Prime Ministers."
 2. "That in cases where money for expenses overseas is advanced to settlers from Government funds, the money should be paid to the Oversea Representative in this country on the settlers' account and transmitted overseas for payment to the settlers on arrival."
 3. "That the bonus system, *i.e.*, the system of recruiting settlers by means of per caput bonus payments to third parties should be abolished as from the 1st July, 1921."
 4. "That it is desirable in order to emphasize the distinction between the movement of British subjects within the Empire and emigration to or immigration from foreign countries, that such expressions as 'oversea settlement,' 'Empire settlement' or 'British settlement,' 'oversea settlers' or 'British settlers' should be used in connexion with the movement of British subjects within the Empire in preference to 'emigration' or 'immigration,' 'emigrants' or 'immigrants,' these latter expressions being confined to movement to and from countries outside the Empire."
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